production; to create a Federal Motion Picture Commission, to define its powers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOREHEAD: A bill (H.R. 9913) to extend the times for the commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. MONTAGUE: A bill (H.R. 9914) to amend section 4 of "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", approved June 7, 1934; to the Committee on the Judiciary.

By Mr. BANKHEAD: Resolution (H.Res. 435) for the consideration of House Joint Resolution 265, a joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States; to the Committee on Rules.

By Mr. BRITTEN: Resolution (H.Res. 436) to prevent the unnecessary mutilation of Taft Bridge; to the Committee on the District of Columbia.

By Mr. DOUGHTON: Joint resolution (H.J.Res. 370) to protect the revenue by regulation of the traffic in containers of distilled spirits; to the Committee on Ways and Means.

By Mr. BOYLAN: Joint resolution (H.J.Res. 371) authorizing the creation of a Federal Memorial Commission to consider and formulate plans for the construction, on the apex block, Constitution and Pennsylvania Avenues, in the city of Washington, D.C., of a permanent memorial to the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independence; to the Committee on the Library.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5120. By Mr. DIES: Petition of various citizens of Jefferson County, Tex., favoring immediate passage of bill providing old-age pensions; to the Committee on Labor.

5121. By Mr. LINDSAY: Petition of Dugan Bros., Inc., Brooklyn, N.Y., opposing the Wagner labor-disputes bill (S. 2926); to the Committee on Labor.

5122. Also, petition of Mildred Morrell, Brooklyn, N.Y., opposing the 3-cent tax per pound on coconut oil; to the Committee on Ways and Means.

5123. Also, petition of the Educational Welfare Committee of the Samuel J. Tilden High School, Brooklyn, N.Y., urging favorable consideration of the Wagner-Lewis unemployment insurance bill; to the Committee on Labor.

5124. By Mr. RUDD: Petition of Dugan Bros., Brooklyn, N.Y., opposing the passage of the Wagner disputes bill (S. 2926); to the Committee on Labor.

5125. Also, petition of the Chamber of Commerce of the Borough of Queens, city of New York, with reference to balancing the Federal Budget, etc.; to the Committee on Appropriations.

5126. Also, petition of the Nassau Savings & Loan Association, 2815 Atlantic Avenue, Brooklyn, N.Y., favoring the passage of the National Housing Act; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, JUNE 13, 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 Tuesday, June 12, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

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

Mr. LEWIS. I announce the absence of the Senator from California [Mr. MCADOO] occasioned by continued illness; the absence of the Senator from Idaho [Mr. POPE], in attendance upon the funeral of late Representative COFFIN, of Idaho, and the absence of the Senator from Florida [Mr. TRAMMELL] and the Senator from Indiana [Mr. VAN NUYS], who are necessarily detained from the Senate.

Mr. HEBERT. I desire to announce that the Senator from Pennsylvania [Mr. REED] is absent on account of illness, and that the Senator from New Hampshire [Mr. KEYES] is necessarily absent.

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

SUPPLEMENTAL ESTIMATE—EXPENSES OF SILVER-PURCHASE LEGISLATION (S.DOC. NO. 215)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1935, amounting to $1,500,000, to meet the expenses for carrying into effect the provisions of House bill 9745, the pending silver purchase bill, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS

The VICE PRESIDENT laid before the Senate resolutions adopted by the National Slovak Society of the United States of America, favoring the enactment of pending legislation, providing unemployment insurance and old-age pensions, which were ordered to lie on the table.

He also laid before the Senate a letter in the nature of a petition from Robert H. Wheeler, vice president, etc., on behalf of the Newark (N.J.) Branch of the National Association for the Advancement of Colored People, praying for the prompt passage of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

RAILROAD EMPLOYEES' RETIREMENT SYSTEM

Mr. WALSH. Mr. President, I present and ask that there be printed in full in the RECORD and lie on the table resolutions of the General Court of the Commonwealth of Massachusetts, memorializing Congress in favor of legislation providing a retirement system for railroad employees.

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

THE COMMONWEALTH OF MASSACHUSETTS,
OFFICE OF THE SECRETARY,
Boston.

Resolution memorializing Congress in favor of legislation providing for a retirement system for railroad employees

Resolved, That the General Court of Massachusetts hereby records itself in favor of the enactment by the Congress of the United States of the "Hatfield-Wagner bill", so called, current Senate bill no. 3231, which provides for a retirement system for railroad employees; and be it further

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Resolved, That the secretary of the Commonwealth forthwith forward copies of these resolutions to the President of the United States, to the presiding officers of both branches of Congress, and to the Members thereof from this Commonwealth.

In senate, adopted June 7, 1934.

In house of representatives, adopted in concurrence June 8, 1934.

A true copy.

Attest:

[SEAL] F. W. COOK,
Secretary of the Commonwealth.

REPORTS OF COMMITTEES

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 3772) to amend an act entitled "An act for the relief of Arabella E. Bodkin", approved May 21, 1934, reported it without amendment and submitted a report (No. 1410) thereon.

He also, from the Committee on Finance, to which was referred the joint resolution (S.J.Res. 139) to protect the revenue by regulation of the traffic in containers of distilled spirits, reported it without amendment and submitted a report (No. 1411) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3724) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof, reported it with amendments and submitted a report (No. 1412) thereon.

Mr. ADAMS, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 2448) providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles, reported it with an amendment and submitted a report (No. 1413) thereon.

Mr. FRAZIER, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3333) to provide for the purchase and sale of farm products, reported it without amendment and submitted a report (No. 1414) thereon.

Mr. LEWIS, from the Committee on Expenditures in the Executive Departments, to which was referred the bill (S. 3710) to provide sick leave for certain civilian employees of the United States Government, reported it without amendment.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (H.R. 4554) to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3) to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps, reported it without amendment and submitted a report (No. 1415) thereon.

Mr. COOLIDGE, from the Committee on Immigration, to which were referred the following bills, reported them severally without amendment:

S. 868. An act to provide for the deportation of certain alien seamen, and for other purposes;

S. 3769. An act to provide for legalizing the residence in the United States of certain classes of aliens; and

S. 3770. An act to provide adjustment of status of certain aliens lawfully admitted without requirement of departure to foreign country.

Mr. COOLIDGE also, from the Committee on Immigration, to which was referred the bill (S. 3771) to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, and for other purposes, reported it with an amendment.

Mr. BULOW, from the Committee on Indian Affairs, to which was referred the bill (S. 3522) granting to the State of South Dakota for institutional purposes the property known and designated as the "Canton Asylum", Canton, S.Dak., reported it with an amendment and submitted a report (No. 1416) thereon.

Mr. HEBERT, from the Committee on the Judiciary, to which was referred the bill (S. 1538) authorizing persons, firms, corporations, associations, or societies to file bills of interpleader, or bills in the nature of interpleader, reported it with amendments and submitted a report (No. 1417), thereon.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S.Res. 235) to employ expert assistance to brief, index, and put in form the testimony taken in certain election cases by select committees, reported it without amendment.

FINANCING OF MAYFLOWER HOTEL CORPORATIONS IN THE DISTRICT

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 231, submitted by Mr. GIBSON on May 26, 1934, reported it without additional amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent.

The resolution was previously reported from the Committee on the District of Columbia with amendments, on page 6, line 9, after the word "than", to strike out "May 31" and insert "September 30", and at the end of line 16, after the word "exceed", to strike out "$2,500" and insert "$1,000"; so as to make the resolution read:

Whereas it is reported—

1. That the Mayflower Hotel Co. and the Mayflower Hotels Corporation of America were incorporated in or about 1922 to construct and operate the Mayflower Hotel on Connecticut Avenue in Washington, D.C., the title to the property to be in the Mayflower Hotel Co.;

2. That the following securities of said corporations were sold to the public, viz, $7,500,000 of first-mortgage 6-percent bonds; $2,400,000 of second-mortgage 6½-percent bonds; $3,031,100 of 6-percent preferred stock; and 60,000 shares of common stock, amounting in the aggregate, exclusive of the common stock, to $12,931,100;

3. That a foreclosure of said first mortgage is pending, in which a sale of the properties securing the same has been authorized at a minimum price of $2,800,000;

4. That three bondholders' committees have been formed, which have obtained possession and control of about 80 percent of said bonds;

5. That two of said committees are composed of the original sellers of said securities or of their associates and affiliates;

6. That said bondholders' committees have united in a plan of reorganization, by the terms of which—

(a) No provision is made for any securities or stock except the first-mortgage bonds, with the result that under said plan the holders of said second-mortgage bonds, of the preferred stock, and of the common stock would suffer a total loss;

(b) Upon consummation of the plan depositing first-mortgage-bond holders will receive for each $1,000 principal amount of said first-mortgage bonds (with a proportionately smaller amount for $500 and $100 denominations) $500 principal amount of new 15-year 4½-percent general-mortgage sinking-fund bonds, together with 10 shares of capital stock, making a maximum total of $3,721,500 principal amount of new bonds and the entire outstanding capital stock of the proposed new company (74,430 shares authorized);

(c) Said $3,721,500 mortgage will not be a first lien, but will be second to a mortgage estimated to be for not less than $500,000 nor more than $750,000, the giving of which $500,000 to $750,000 mortgage is claimed to be wholly unnecessary in view of the cash on hand, and of the ability to raise any small deficiency on short-term unsecured notes, or, if necessary, on pledging a sufficient amount of the first-lien mortgage bonds;

(d) The 74,430 shares of stock of the new company proposed by the reorganization committee will be issued to a voting trust committee consisting of three members, who will hold the stock for 2 years, subject to an extension of 6 years, making the voting trust period provided for 8 years altogether, the 6-year extension being subject to the authorization of a majority in interest of the voting-trust-certificate holders;

(e) Provision is made for a reorganization committee of three members, each to be paid $7,500 a year; of a voting trust committee of three members; and for the designation of a bank to supervise the financial affairs of the new company;

(f) The reorganization committee is given authority to bid in the hotel property or to refrain from purchasing it, in their discretion; and if they do bid the property in at the minimum price of $2,800,000, they propose to penalize nondepositing bondholders by settling with them on the basis of such price, whereas the depositing bondholders are to be paid on the basis of $3,721,500 (nearly $1,000,000 more);

(g) The voting trustees shall have full power, if the hotel property is bid in, to sell it and to act as fully as the stockholders themselves might act in regard to any company matters, including the designation of their successors;

(h) The three bondholders' committees shall be paid an aggregate of $62,000 for services;

(i) The bondholding committees with whom bonds have been deposited shall be paid fees and expenses and the charges of their counsel; and there shall be paid the expenses of organization of the new company and of the issuance of its securities and of the first-mortgage loan.

7. That there has accumulated and is on hand from the hotel operations the sum of about $900,000;

8. That it is feared because of the experience of a similar local reorganization, managed, it is asserted by the same persons or some of them, now composing two of the present bondholders' committees, or their affiliates or associates, that the new stockholders' bonds will not sell for more than 20 cents on the dollar, if said reorganization plan is carried out, which would result in a property on which securities were sold for $12,931,100, aside from the common stock, realizing for the security purchasers but $700,000: Now, therefore, be it

Resolved, That for the purpose of providing the Senate with information to serve as a basis for such legislation, if any, as may in its judgment be found necessary in respect of financing the construction of buildings, selling to the public of bonds secured by mortgages on such buildings and the land they cover, and of preferred and common stock of the corporate owners of such real estate, and to correct abuses in such financing, and to protect the public against losses from unsound financing, and in particular to protect such investors as have already suffered losses in this Mayflower Hotel financing and such as are threatened with further and future losses in connection with the proposed reorganization of said Mayflower Hotel corporations and properties the Committee on the District of Columbia, or a duly authorized subcommittee thereof, is directed to investigate all facts in connection with the financing and the proposed reorganization of said hotel and in particular the following matters relating to said corporations and to said proposed reorganization, viz:

(a) Who sold and what methods were pursued to accomplish the sale of $7,500,000 of first-mortgage 6-percent bonds; of $2,400,000 second-mortgage 6½-percent mortgage bonds; of $3,031,100 of 6-percent preferred stock; and 60,000 shares of common stock, all securities of said corporations, and aside from the common stock amounting in the aggregate to $12,931,100.

(b) As to the management of said corporations since their formation in or about 1925 to date.

(c) As to the circumstances which have led up to the fixing, in proceedings for foreclosure of the first mortgage, of $2,800,000 as a price which the Mayflower properties may be sold, on which securities to the amount of $12,931,100 were sold to the public.

(d) Whether the sellers of such securities for $12,931,100 are the same persons, or some of them, who have now obtained control of said securities as members of bondholders' committees of said first-mortgage bonds and the methods used to obtain such control, and to induce the bondholders to whom they sold such bonds to deposit the same with them as reorganizers, and specifically to determine if said sellers of securities and the members of said bondholders' committees are now advocating the sale of said hotel property for $2,800,000, a sum approximately one-fourth the amount of the securities issued against the same.

(e) Whether the proposed reorganization is in the interest of the security holders.

The committee or subcommittee shall make a final report of its investigation, with recommendations, to the Senate, not later than September 30, 1934. For the purposes of this resolution the committee or subcommittee is authorized to avail itself of the services of the Commissioners of the District of Columbia, and of the corporation counsel of the District of Columbia, and to make expenditures to be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee. The total of such expenditures shall not exceed $1,000.

The amendments were agreed to.

The resolution as amended was agreed to.

The preamble was agreed to.

CONTINUANCE OF GENERAL SURVEY OF INDIAN CONDITIONS

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 241, submitted by Mr. WHEELER on May 17, 1934, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That Senate Resolution 79, agreed to February 2, 1928, and continued by subsequent resolutions, authorizing the Committee on Indian Affairs, or any subcommittee thereof, to make a general survey of the condition of the Indians in the United States, hereby is continued in full force and effect throughout the duration of the Seventy-fourth Congress.

EXPENSES OF SPECIAL COMMITTEE ON INVESTIGATION OF MUNITIONS INDUSTRY

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which Senate Resolution No. 244, submitted by Mr. NYE on May 18, 1934, was referred, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That the special committee appointed by the Vice President, under authority of Senate Resolution 206, agreed to April 12, 1934, to investigate the munitions industry, hereby is authorized to expend from the contingent fund of the Senate $35,000 in addition to the amount heretofore authorized to be expended for the purposes set forth in said resolution.

HEARINGS BEFORE COMMITTEE ON CIVIL SERVICE

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 249, submitted by Mr. BULOW on May 26, 1934, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to as follows:

Resolved, That the Committee on Civil Service, or any subcommittee thereof, hereby is authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof may sit during the sessions or recesses of the Senate.

LUCY R. GEHMAN

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 251, submitted by Mr. TOWNSEND on May 28, 1934, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

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

ADDITIONAL EXPENDITURES, SPECIAL COMMITTEE ON CONSERVATION OF WILD-LIFE RESOURCES

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 254, reported on June 4, 1934, by Mr. WALCOTT (for himself, Mr. PITTMAN, and Mr. MCNARY), from the Special Committee on Conservation of Wild Life Resources, was referred, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to as follows:

Resolved, That the special committee authorized and directed by Senate Resolution No. 246, on April 17, 1930, to investigate the conservation of wild animal life hereby is authorized to expend in furtherance of such purposes $10,000 in addition to the amounts heretofore authorized.

NERISSIA V. GRAY ET AL.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 255, submitted by Mr. GOLDSBOROUGH on June 3, 1934, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Nerissia V. Gray, daughter, and Leighton O. Talbert, James L. Talbert, and John D. Talbert, sons, of James E. Talbert, late a laborer in the employ of the Senate, under the direction of the Sergeant at Arms, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of expenses and all other allowances.

EXPENSES OF SPECIAL COMMITTEE ON AIR-MAIL AND OCEAN-MAIL CONTRACTS

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 259, submitted by Mr. BLACK on June 5, 1934, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That the limit of expenditures under Senate Resolution No. 349, Seventy-second Congress, second session, agreed to February 25, 1933, supplemented by Senate Resolution No. 94, Seventy-third Congress, first session, agreed to June 10, 1933, and Senate Resolution No. 143, Seventy-third Congress, second session, agreed to January 24, 1934, is hereby increased by $5,000.

SALLY D. THOMAS

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 262, submitted by Mr. GLASS on June 7, 1934, reported it without amendment, and, on motion

of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Sally D. Thomas, widow of Madison Thomas, late a laborer of the Senate under supervision of the Sergeant at Arms, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ELSA M'GUIRE

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 263, submitted by Mr. BARKLEY on June 7, 1934, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Elsa McGuire, widow of E. E. McGuire, late an assistant clerk to the Committee on the Library, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. HAYDEN:

A bill (S. 3787) amending the Independent Offices Appropriation Act of 1935; to the Committee on Post Offices and Post Roads.

By Mr. SHEPPARD:

A bill (S. 3788) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.; to the Committee on Commerce.

By Mr. JOHNSON:

A bill (S. 3789) for the relief of Anna S. Carrigan; to the Committee on Foreign Relations.

By Mr. SHIPSTEAD:

A bill (S. 3790) authorizing the Secretary of War to lend certain Army equipment to the transient and homeless relief division, an agency of Minnesota, for use in caring for homeless persons in such State; to the Committee on Military Affairs.

By Mr. COPELAND:

A joint resolution (S.J.Res. 140) to provide a safe depository for the records of the claims of Civil War widows; to the Committee on Public Buildings and Grounds.

AMENDMENT TO EMERGENCY APPROPRIATION BILL

Mr. LOGAN submitted an amendment intended to be proposed by him to House bill 9830, the first deficiency and emergency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

Add to the first paragraph of title II of the bill, on page 63, after line 19, the following additional proviso:

"*Provided further*, That in order to meet the emergency in the maintenance of schools of less than college grade in the several States, Territories, and the District of Columbia, there is hereby appropriated and made available out of any funds heretofore or herein appropriated for carrying out the purposes of the Federal Emergency Relief Act of 1933, the sum of $75,000,000 for the fiscal year ending June 30, 1935, as an emergency measure solely. The funds hereby appropriated for schools shall be allocated and disbursed on the basis of need to the several States, Territories, and the District of Columbia by the Federal Emergency Relief Administrator in cooperation with and upon the advice of the United States Commissioner of Education. Nothing in this act shall be construed to prevent the distribution of funds, upon application, to privately supported free-tuition schools in need. Nor shall anything in this act be construed to empower any Federal officer to control the instruction or administration in education in any State."

UTILIZATION OF WASTE SLASH PINE

Mr. HATFIELD submitted the following resolution (S.Res. 270), which was referred to the Committee on Agriculture and Forestry:

Whereas the public press has directed attention to the possible development of a new and profitable industry to be developed through the utilization of practically waste slash-pine lands of several States; and

Whereas such an industry, if developed, would provide profitable employment opportunities for thousands now unemployed, and would make possible the savings of many millions of dollars yearly to consumers; and

Whereas there is grave danger that this development may be set aside owing to the opposition of some certain persons now holding responsible Government positions: Be it

Resolved, That a committee of five Members of the Senate, to be appointed by the President of the Senate, is hereby authorized and directed to make a thorough and comprehensive study of the possibilities of developing industries with the use of slash pine; and in making this study such committee is authorized to confer with such other Government departments and agencies as it deems advisable. The committee shall report its findings to the Senate not later than February 1, 1935, together with its recommendations for necessary Federal legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $——, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 4460) to provide for the payment of compensation to George E. Q. Johnson.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H.R. 8525. An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of class B in residential districts;

H.R. 9002. An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes; and

H.R. 9123. An act to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion at Miami, Fla., during the month of October 1934.

The message further announced that the House had severally agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendment of the Senate to each of the following bills of the House:

H.R. 541. An act for the relief of John P. Leonard;

H.R. 2439. An act for the relief of William G. Burress, deceased; and

H.R. 3032. An act for the relief of Paul Jelna.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1731. An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes; and

H.R. 8662. An act to modify the operation of the Indian liquor laws on lands which were formerly Indian lands.

The message further announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H.Con.Res. 43. Concurrent resolution 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; and

H.Con.Res. 45. Concurrent resolution to print the proceedings in Congress and in Statuary Hall upon the acceptance in the rotunda of the Capitol of the statues of George Washington and Robert E. Lee, presented by the State of Virginia.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

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

S. 2138. An act for the relief of Charles J. Webb Sons Co., Inc.;

S. 3025. An act to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes;

S. 3285. An act to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes;

S. 3443. An act to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes;

S.J.Res. 93. Joint resolution authorizing the creation of a Federal Memorial Commission to consider and formulate plans for the construction, on the western bank of the Mississippi River, at or near the site of old St. Louis, Mo., of a permanent memorial to the men who made possible the territorial expansion of the United States, particularly President Thomas Jefferson and his aids, Livingston and Monroe, who negotiated the Lousiana Purchase, and to the great explorers, Lewis and Clark, and the hardy hunters, trappers, frontiersmen, and pioneers and others who contributed to the territorial expansion and development of the United States of America;

S.J.Res. 121. Joint resolution authorizing the President to return the mace of the Parliament of Upper Canada to the Canadian Government;

H.R. 541. An act for the relief of John P. Leonard;

H.R. 2439. An act for the relief of William G. Burress, deceased;

H.R. 3032. An act for the relief of Paul Jelna; and

H.R. 4460. An act to provide for the payment of compensation to George E. Q. Johnson.

HOUSE BILL REFERRED

The bill (H.R. 8662) to modify the operation of the Indian liquor laws on lands which were formerly Indian lands was read twice by its title and referred to the Committee on Indian Affairs.

LEGISLATIVE REVIEW OF PRESENT SESSION OF CONGRESS

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by the Senator from Arkansas [Mr. ROBINSON] on June 12, 1934, under the auspices of the National Radio Forum. In this address the Senator from Arkansas reviews in an able and interesting manner the remarkable achievements of the present session of the Congress.

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

THE LEGISLATIVE REVIEW OF THE PRESENT SESSION OF THE CONGRESS

National economic recovery is the general subject toward which legislative efforts have been directed during the present session of the Congress. Ultraconservatives have from time to time asserted that some of the policies of the Roosevelt administration are so radical and have been so hastily formulated as to delay the restoration of confidence and the revival of business. Prophets of evil have not witnessed confirmation of their foreboding. On the contrary, conditions throughout the country appear to be steadily improving, although, as might be expected, there still are enough difficulties and dangers ahead to require the continued cooperation of all lovers of our country.

While the date for adjournment has not yet been fixed, it is likely that the Congress will soon suspend its work, leaving undisposed of a number of measures which were added to the program, some of them a few weeks, others only a few days, ago.

The purpose of this address is to review the important accomplishments which are to be credited to the National Legislature under the leadership of the President since it met on January 3, 1934. If no additional laws should be enacted between now and adjournment, it may be truthfully stated that the present session will be memorable for both the number and the importance of the subject matter dealt with. My hearers will readily understand that the time limit of this address prevents even a complete summary of what has been done.

If your speaker is able to refer to those reforms which are believed to supplement the plans made during last year's extraordinary session and to make brief mention of an additional number of new laws which move forward the forces fighting for recovery against depression on the long front so that those interested may have a comprehensive picture of the struggle, he believes a helpful purpose will have been accomplished by his remarks.

ROOSEVELT MONETARY POLICY

When President Roosevelt was inaugurated, the country was not only confronted with a threatened breakdown of all credit organizations but, due to depreciated foreign currencies, our domestic producers and merchants were at great disadvantage in carrying on foreign commerce. The Roosevelt policies comprehended not only the creation of increased purchasing power and the reduction of unemployment; it also included the revival of foreign trade as essential to the restoration of prosperity.

The silver bill supplements the act passed in the early part of the present session authorizing the nationalization of monetary gold, the reduction of the gold content of our dollar, and the use of a large fund in connection with international exchange. The Silver Act gives the President authority to nationalize silver and to purchase a sufficient amount of it to provide a metallic reserve for one-fourth of our currency. It is expected not only to strengthen purchasing power among our people but also among those whose monetary systems rest upon the white metal, thus lending aid to arrangements for the disposition of our surplus farm and manufactured products. The soundness of the monetary policy has been demonstrated. If it has not produced all the results looked for by its proponents, its application certainly has not been attended by the evil forecast by its opponents.

VETERAN ALLOWANCES

There were inserted in the independent offices appropriation bill for the fiscal year 1935 amendments restoring to the rolls a large number of veterans whose allowances had been discontinued under the authority conferred upon the President in the Economy Act. Other amendments were also incorporated increasing allowances that had been reduced. The President vetoed the bill, and it was passed over his veto.

RECIPROCAL TARIFFS

The bill permitting the President to enter into reciprocal tariff agreements was hotly contested in both the House and the Senate, principally on the ground that it was alleged to constitute an unwarranted delegation of the treaty and the law-making powers. The constitutionality of the law is fortified by numerous legislative and judicial precedents. In almost every period of our country's history since 1794 the Congress from time to time has empowered the President as its agent to impose and remove restrictions on international trade and shipping for the protection of American interests against unfavorable policies pursued by foreign competitors. There is nothing new in the legislation, and there is no ground for fear that the power will be abused. Our foreign commerce has dwindled alarmingly during the last few years. While other governments have taken advantage of the opportunity to enter into reciprocal arrangements respecting tariffs, tonnage, and port facilities, the United States has invited retaliation and detrimental measures on the part of other nations through the imposition of prohibitory duties and through the erection of unnecessarily high tariff walls.

Under this policy American merchants and carriers in the foreign trade have been brought face to face with the ruin of their ventures. Under that policy our commerce has diminished more rapidly than the commerce of our competitors. The Reciprocal Tariff Act comes late, but it is hoped and believed not too late to give opportunity for arrangements of mutual benefit—arrangements through which we may buy from others what we cannot economically provide for ourselves and in return sell to them the surpluses for which we can develop no domestic market.

REGULATION OF SECURITIES EXCHANGES

If there is any one foolish practice which more than others contributed to bringing on the depression which began in 1929 it is the crazy and unrestrained speculation which withdrew for use in gambling funds needed to carry on business and which culminated in hoarding, business stagnation, and the break-down of credit institutions resulting in the reduced purchasing power of the people and appalling unemployment. The act of 1933 regulating the issuance of securities has been modified in particulars where experience has shown its terms to be too harsh and restrictive, while at the same time investors are given access through new statutes providing for the control of transactions on exchanges to information essential to the formation of intelligent opinions in the purchase and sale of securities.

The act also will restrict credit for speculative purposes so that necessary commercial and industrial enterprises may not be unduly interfered with by the excessive use of resources in reckless speculation. Marginal trading hereafter will be prudently supervised. There exists no ground for fear that liquidation will be hasty or unduly compelled. The public should remember that there is no complete remedy for a fool. No law which human intelligence can devise can safeguard against loss when risks are taken. What the President and the Congress seek to do is to require honesty and good faith, and, insofar as possible, outlaw get-rich-quick schemes through which speculators have been plundered and defrauded.

NAVAL CONSTRUCTION

In the hope of ending competition in naval construction, treaties were negotiated in the Washington and London Naval Conferences by which the principal powers agreed to limit their construction. Great Britain and Japan built up to their limits provided in these treaties, but the United States, in the hope of promoting further reductions, permitted building to remain at a practical standstill until the act during the present session when Congress authorized new ships in numbers and sizes approximating the treaty limits. The Navy is the first line of defense in case of international warfare. While the President and Members of Congress hope that further conflicts on the sea may be avoided, no method of assuring safety to our country has been found without maintaining that measure of strength on the waters which will command the respect of other naval powers as well as the confidence of the American public in the ability of its Govern-

ment successfully to defend the lives and property of our citizens against attack from potential foes.

THE WAR ON GANGSTERS

The Federal Government has entered the war against gangsters. The Department of Justice is performing its task in this particular aggressively and effectively. Nevertheless it has been found necessary to enact a number of laws, each supplemental of the other, strengthening the national authority as the only one capable of punishing and restraining those public enemies who pass quickly from one State to another, robbing and murdering defenseless persons, and terrorizing them by kidnapings and by other forms of torture which cannot be tolerated. The Congress has proceeded on the theory that the exercise of all constitutional power, both State and national, is required for the suppression of outlawry which of late years has disgraced our civilization and which threatens the safety of persons and property.

PHILIPPINE INDEPENDENCE

From the days when the United States acquired the Philippine Islands we have been pledged to their independence. Our policy toward the Filipino people has been liberal and generous. Yet we recognize their right to self-government. During this session Congress has passed an act which looks to the complete separation from the United States of the Philippine Islands on terms and conditions to be approved by the Filipino people or their representatives. While some who have business interests in the islands, and others for various reasons, believe that our control there should continue indefinitely, the consensus of opinion among legislators is to the effect that actual freedom should be accorded just as soon as due regard for the mutual interests of the two peoples concerned permits; and this is the principle that has governed Congress in the passage of the legislation.

THE REVENUE ACT OF 1935

Another important accomplishment of the session is found in the so-called "Revenue Act of 1935", removing defects shown by experience in our system for the imposition and collection of income, excise, and other taxes. It is estimated that the new law will add to the national revenue approximately $300,000,000. There are numerous taxes which Congress would like to reduce or repeal, but this cannot be done until expenditures for relief and for other emergency purposes may be diminished or dispensed with.

THE AIR MAIL

No controversy has provoked more bitter or prolonged discussion than the carriage of the air mails. Due to evidence disclosing fraud and collusion in the making of air-mail contracts, the President approved their cancelation. The War Department was ordered temporarily to carry the air mail. New contracts have been authorized and made, under which the service will be improved and expanded, while at the same time its costs to the Government will be lessened. Enormous salaries and speculative gains have been eliminated—salaries so great and out of proportion to the services performed that they became a national scandal.

EQUALITY OF CERTAIN RIGHTS TO WOMEN

The Senate has ratified the treaty between the United States and the governments of Pan America giving rights to women equal to those enjoyed by men under national law and practice.

BANKRUPTCY ACTS

The bankruptcy laws have been modified in two general and important particulars. First, insolvent municipalities and other separate taxing units may institute proceedings in Federal courts, with the consent of the holders of one-third of their obligations, for the refunding of their debts, provided the plan for refunding meets with the approval of the holders of two-thirds or more of the outstanding indebtedness.

Second, a similar privilege has been accorded corporations. Both measures carefully safeguard the interest of creditors by granting rights of intervention, hearings, and protest, and by other provisions intended to make the act applicable only in cases where the interests of the general public will not be detrimentally affected.

SECURITIES OF CERTAIN FOREIGN GOVERNMENTS

Perhaps no legislation during the session has provoked more discussion in this country and abroad than that forbidding the sale in the United States of securities hereafter issued by foreign governments, while such governments are in default in the payment of their war debts to the Treasury. What effect this legislation may have on international finance is problematical. That it has precipitated the war-debts issue is undeniable. Whether it will prove helpful in the long run is questioned by some who fear that it will tend to crystallize public sentiment in opposition to payment among the debtor peoples and stimulate measures of retaliation. Its purpose was to emphasize the opposition of Congress and the President to the cancelation of the debts and to protect investors against a recurrence of the orgy of speculation in foreign securities which preceded the collapse of 1929.

There is not sufficient time to speak of the proposed amendments to the Agricultural Adjustment Act, broadening the powers of the Secretary and making clear his authority with respect to the licensing of processors, particularly of nonbasic commodities, nor of pending amendments to the Oil Control Act. Further treatment of these subjects probably will be deferred until the next session—certainly, unless the Congress is to remain in session for several weeks.

Neither is it practicable to discuss the laws guaranteeing bonds of Federal land banks and of the Home Owners' Loan Corporation, by which, while the actual liability of the Treasury is quite limited, the credit of these organizations is greatly strengthened for the accomplishment of the purposes for which they were created.

GENERAL APPROPRIATION BILLS

The nine annual regular appropriation bills for 1935 appropriate $2,252,651,560.94, and have all been passed. The deficiency bills, other miscellaneous appropriations, and the drought-relief bill will swell the aggregate amount appropriated for the next fiscal year to more than $6,800,000,000; yet it should be remembered that the actual expenditures for the present year are more than $3,000,000,000 less than the Budget estimates submitted by the President; and in 1936—at latest 1937—it is expected that the Budget will be completely balanced, provided, of course, the necessity for supplying sustenance for large numbers of our population has in the meantime passed.

A large number of other legislative measures of general importance have been passed, but they cannot be mentioned because of lack of time.

SOCIAL LEGISLATION NEXT SESSION

Respecting the legislative policy of the next session, I cannot do better than quote from the President's message on the subject to the Congress on June 8:

"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."

Bills to carry out this message will not be ready until next session. The process of legislation is by its nature progressive. There will be much to do when Congress convenes again early next year, and so there will be in the years to come.

The "forgotten man" was remembered in our legislation, and we were careful in taking care of him that no undue restriction should be placed on business, even the businesses that exploited our people so gravely in past years. I think we did a good job, and if you ever look at the Literary Digest's poll and observe the votes of a vast cross section of our population you will see that in a proportion of 2 to 1 the people are in accord on this estimate of the President's policies as enacted into law. In fact, huge as was Franklin D. Roosevelt's majority in the election of 1932, the popular majority for the things he stands for is considerably greater. All of which means that the country, after more than a year's experience with him in the White House, has confidence in his judgment and is satisfied that he has made good on promises in the Democratic platform to which he subscribed on the day he was nominated for the Presidency.

It makes no difference what phase of the "new deal" you may have in mind, you will find the roots of the idea in the declaration of principles made by the Democrats in the Chicago convention. There is ample proof that the administration program for national recovery meets with the approval of a majority of the citizens, and that this approval in no sense rests on mere partisan considerations.

After the President had witnessed the naval review a few days ago he was so enthusiastic in his praise of the maneuvers that he signaled from his flagship to the ships in review "Well done." It is believed that when the American people have had an opportunity to review the work of the President and that of the Congress and this administration, they will signal to the Nation's leader as he did to the Navy, "Well done."

ADDRESS BY SENATOR CONNALLY AT CONFEDERATE MEMORIAL EXERCISES

Mr. BANKHEAD. Mr. President, I present an address delivered by the junior Senator from Texas [Mr. CONNALLY] on the occasion of the Confederate memorial exercises at Arlington National Cemetery, Sunday, June 3, 1934, which I ask may be printed in the RECORD.

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

Here in Arlington where sleep the honored dead in the wars of the Republic, we have gathered in memorial service to honor the heroes who followed the flags of Lee and of Jackson. In this sacred soil there rests the dust of some of the soldiers who, in the war of the American Revolution, laid down their lives in liberty's cause. On these sloping hillsides, in the silent chambers of death, repose the bones of soldiers who, in the War of 1812, gave their lives as a sacrifice in order that the new Republic might survive. Under these skies mute monuments mark the spots where lie the remains of soldiers of the Mexican War—soldiers of that gallant army which marched across parched deserts and stormed mountain passes to place the starry banner of the Republic over the palaces of the Montezumas.

The most glorious thing about the Arlington National Cemetery is that here lie alike the bodies of soldiers who followed the banner of Grant and the gallant spirits who gathered under the battle flag of the Confederacy and against hopeless odds and

overwhelming military resources battled for 4 long, bitter, tragic years.

Here, united in the last great sleep, the wearers of the blue and the gray symbolize the union of the dissevered sections, and, sealed by their blood and sanctified by their heroic covenant with death, out of the titanic struggle in which they had such a courageous and historic past a reunited country honors the memory of its patriotic and lofty-spirited sons, whether they wore the blue in triumph or wrapped in their ragged jackets of gray went down to defeat in honor and glory.

Today is the anniversary of the birth of Jefferson Davis, distinguished soldier in the Mexican War, decorated for valor on the field of battle—Jefferson Davis, Secretary of War of the United States under President Franklin Pierce, Senator from the State of Mississippi, who resigned his seat to become President of the Confederacy.

Because of the bitterness aroused against him, his name was erased from the tablet on Cabin John Bridge in the District of Columbia erected while he was Secretary of War. It was President Theodore Roosevelt, that vivid and picturesque American, whose mother was a Georgia woman, and who was a distant kinsman of that great leader in the White House, Franklin D. Roosevelt, who half a century after its removal, caused the name of Jefferson Davis to be restored to the place from which hatred had in anger effaced it.

Today we honor Jefferson Davis, who amidst a multitude of cares and burdens, beset with jealousies and faced by battalions of difficulties, earnestly strove to serve the people who had intrusted to him the destines of the Confederacy.

We honor and love the memory of the Confederate soldier not alone for his martial achievements, but because he was one of the greatest examples of the citizen soldier recorded in the pages of history since Hannibal campaigned amidst the Alps and Caesar led his legions into Gaul. He was not a professional soldier. He was not a mercenary. The South had no standing army. It recruited its forces from the farms and the fields and the ranches—from the homes of the humble as well as the mighty. They took up arms not for the hope of military renown, not to satisfy the promptings of ambition, not to gather into the coffers of their government indemnities and tribute, not to despoil and plunder their adversaries, but they took up arms in defense of their homes and firesides, and in defense of the theories of government to which they had, since the founding of the Republic, tenaciously adhered. The Confederate soldier did not fight to perpetuate slavery. Three-fourths of the men who made up the armies of the South never owned a slave. Their great captain, Robert E. Lee, by voluntary act emancipated his slaves.

The South made war in defense of its conception of the rights of the individual States to withdraw from the Union. This was no strange nor alien doctrine. During the administration of Thomas Jefferson, when the Embargo Act was adopted, New England threatened secession from the Union. Again in 1814, during the War of 1812, delegates from the States of New England met in the celebrated Hartford Convention and deliberated upon secession from the United States and contemplated a proposed union with Canada. That convention was held in the midst of the Nation's struggle for its life in a war with England. Secession was often and vigorously asserted by the politicians of New England.

The South lost on the field of battle. It accepted the arbitrament of the sword. It gave the highest test of its faith. It risked its life for its convictions.

While still suffering the miseries of war, political rancor imposed upon it the most galling bondage ever suffered by a free and proud people. Reconstruction with its horrors and the reign of an intolerable tyranny were thrust upon a prostrate people at the point of the bayonet. Upon economic conditions even more cruel than those from which we are now emerging was imposed a governmental and political despotism. With rare courage and patience her people endured its injustice and out of it all emerged a great though a mightily wronged people.

The Confederacy has often been referred to as "The Lost Cause." No cause is lost that can give to history such examples of heroism—heroism on the battlefield by its brave men and heroism by the women of the South who gave their sons and husbands and brothers to the armies and who in self-denial and in poverty struggled to supply the armies in the field and to rear and support their families at home. No cause is lost that was defended by armies as brave as ever gathered under a war banner and whose valor challenged the admiration of the world and compelled tributes from military critics of every foreign land.

No cause is lost that produced a Stonewall Jackson, whose military exploits are studied by the students of war in European armies. No cause is lost which had for its great captain Robert E. Lee—Lee, whose home lifts its proud columns in this great cemetery and whose memory lives in the hearts of a mighty people and whose fame ornaments the martial annals of the English-speaking race; Lee, who gave his last years to teaching the sons of his former soldiers; Lee, who spurned the use of his name as president of an insurance company for gold.

The ranks of the Confederate armies are now but a scattered and thinning line. In a little while the last reunion will be held. Today we gather to pay our tribute to those who have marched on in their last campaign—to those who have bivouacked with the dead. We commend to the generations who have followed them their example of courage and sacrifice. These same high qualities in time of peace are needed to make America a greater and better land and to give fiber and strength to American character. The Republic has been living in perilous days. There are still dangers and rocks ahead. America needs in its citizenship the patriotism and the sacrifice that the Confederate soldiers displayed in the sixties and in the dark days of reconstruction.

When the body of Stonewall Jackson lay in state, his officers and men passed by the bier to take a final look at their great captain. A young lieutenant approached the casket, saluted, and said: "My General, I was with you in the Shenandoah Valley; I followed you in the battles before Richmond; we were with you at Bull Run when you stood like a stone wall; we charged with you at Chancellorsville, where you fell in the midst of victory. If thou art now with Alexander and Hannibal and Caesar, tell them that your soldiers still know how to make war."

That inspiring tribute is a challenge to every youth of the South. Lee and Jackson and their gallant armies, our forefathers, have taught us how to make war—not war upon the battlefield so much as war in time of peace, war as citizens of the Republic against error and wrong, war for those causes which mean most for the people of America and for the perpetuation of the ideals and traditions of the great Republic in whose service the sons and grandsons of the blue and the gray have side by side shed their blood in the jungles of Cuba and on the red fields of Europe in the cause of human liberty and constitutional government.

ARGUMENT FOR RATIFICATION OF CHILD-LABOR AMENDMENT

Mr. COSTIGAN. Mr. President, recently a careful brief was prepared in behalf of the pending child-labor amendment to the Federal Constitution by Joseph P. Chamberlain, professor of public law of Columbia University; Charles C. Burlingham, former president of the association of the bar of the city of New York; W. W. Gardner, assistant for the legislative drafting research fund, of Columbia University; and Herman A. Gray, professor of law at the New York University Law School. It is a valuable contribution to an important subject which will be presented for action to many State legislatures during the coming 12 months. I ask unanimous consent to have it published in the CONGRESSIONAL RECORD.

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

TEXT OF THE PROPOSED FEDERAL CHILD-LABOR AMENDMENT

"SECTION 1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

"SEC. 2. The power of the several States is unimpaired by this article except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress."

INDEX

Legal aspects of argument for ratification of the child-labor amendment

I. The proposed child-labor amendment is still open for ratification:
Ratification within the next few years is not unreasonably long after the proposal of the amendment.
Ratification is not barred because of prior rejection.
II. The scope of the amendment:
The necessity of general language.
The words used.
Labor.
Regulate.
Prohibit.
Representative government implies discretion in the lawmakers.
The legislative power is limited by due process and judicial review.
The experience of the eighteenth amendment.
Various unfounded objections considered.
Destruction of the Republican form of government.
Nullification of the fourth amendment.
Compulsory military service.
"Nationalization" of children.

I. THE PROPOSED AMENDMENT IS STILL OPEN FOR RATIFICATION

It is necessary at the outset to dispose of the contention that the proposed amendment is no longer open for ratification. Two factors require consideration: the lapse of time since the amendment was proposed by Congress on June 4, 1924; and the effect of earlier rejections by a number of the States.

Ratification within the next few years is not unreasonably long after the proposal of the amendment

The Constitution itself contains no limitation upon the period of time in which the States may validly ratify an amendment proposed by Congress. Article V reads:

"The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution * * * which * * * shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three-fourths of the several States * * *."

If the words be taken literally, an amendment once proposed enjoys a deathless existence until ratification. No one argues that they are to be read literally. It is, however, important to remember that any limitation which is sought to be introduced

must be a qualification of the literal import of the words employed in the Constitution.

Prior to the submission of the eighteenth amendment all proposed amendments were submitted to the States without limitation upon the period of ratification. At the instigation of Senator ASHURST, an additional section was added to that amendment by which ratification was required within 7 years if the article were to be operative.

In the extensive debates which accompanied this change there was considered only the desirability of so limiting the ratification period and, more extensively, the constitutionality of such an attempt. It occurred to no Senator that the proposal was anything other than a limitation upon the time otherwise open for ratification by the legislatures of the several States. (See 65 CONGRESSIONAL RECORD, pt. 1, pp. 5556–5559, 5643–5666.)

In *Dillon* v. *Gloss* (256 U.S. 368, 375–376), the limitation clause so inserted was seized upon, by one convicted under the National Prohibition Act, as invalidating the eighteenth amendment. The application for writ of habeas corpus was denied by the Supreme Court. Mr. Justice Van Devanter, speaking for a unanimous court, said:

"We conclude that the fair inference or implication from article 5 is that the ratification must be within some reasonable time after the proposal.

"Of the power of Congress, keeping within reasonable limits, to fix a definite period for the ratification we entertain no doubt. As a rule, the Constitution speaks in general terms, leaving Congress to deal with subsidiary matters of detail as the public interests and changing conditions may require; and article V is no exception to the rule. Whether a definite period for ratification shall be fixed, so that all may know what it is and speculation on what is a reasonable time may be avoided, is, in our opinion, a matter of detail which Congress may determine as an incident of its power to designate the mode of ratification. It is not questioned that 7 years, the period fixed in this instance, was reasonable, if power existed to fix a definite time; nor could it well be questioned considering the periods within which prior amendments were ratified."

From this language two conclusions may be drawn: One is that a proposed amendment is not indefinitely open to ratification, but must favorably be acted upon within a reasonable length of time, if the ratification is to be valid.

The second conclusion is that whatever content may be given to the term "reasonable time", it is some period greater than 7 years. The argument before the Court was directed exclusively to the alleged unconstitutionality of the congressional limitation of the time of ratification. The Court was considering only the power of Congress to shorten an otherwise reasonable period for ratification.

What a reasonable period might be cannot be said. Certain it is that it is longer than the 7-year limitation challenged in *Dillon* v. *Gloss*. The problem of how much longer is made more predictable if it be considered that neither laws nor amendments are unconstitutional, per se. They are declared to be unconstitutional. They are, further, judged as to their validity by a court which has many times expressed its deep reluctance to hold unconstitutional an act of Congress or of a State legislature (*Fletcher* v. *Peck* (6 Cr. 87, 128); *Mayor* v. *Cooper* (6 Wall. 247, 251); *Atkin* v. *Kansas*, (191 U.S. 207, 223); *Williams* v. *Baltimore* (289 U.S. 36, 42, 46)). It cannot be thought that this Court would invalidate a ratification of an amendment to the Constitution because it did not occur immediately after the proposal by Congress. The Constitution contains no clear requirement that such be done. On the contrary, if its words be read literally, the amendment could not be invalidated on this score. Other than that which establishes it as more than 7 years, there is no decision of the Court which affords any guide to what is a reasonable period of time for ratification. If to invalidate an act of Congress is a duty "of great delicacy, and only to be performed where the repugnancy is clear, and the conflict irreconcilable" (*Mayor* v. *Cooper* (6 Wall. 247, 251)), how much more delicate would be the task of declaring void the action of the amending power of the Constitution itself.

Ratification is not barred because of prior rejection

The proposed child-labor amendment has been rejected by vote of both houses in more than 13 States, and of those rejecting 6 have subsequently ratified. It is argued that once having been rejected by 13 States the proposed amendment is automatically killed. The argument runs counter to the words of the Constitution, the constitutional history of the Government, the declaration of the Supreme Court, and the virtually unanimous opinion of the text writers.

The Constitution states that proposed amendments "shall be valid to all intents and purposes, as a part of the Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof." The language does not read, "unless rejected by one-fourth of the several States." Nor is there specified any condition to the power of ratification. The Constitution simply calls for ratification; from its words can be found no indication that this ratification must be at the time of initial action by the legislatures.

The proposed amendment is by no means the first instance of ratification subsequent to an earlier rejection. The fourteenth amendment was adopted only by virtue of ratification subsequent to earlier rejections. Newly constituted legislatures in both North Carolina and South Carolina, respectively, on July 4, and 9, 1868, ratified the proposed amendment, although earlier legislatures had rejected the proposal. The Secretary of State issued a proclamation which, though doubtful as to the effect of attempted withdrawals by New York and New Jersey, entertained no doubts as to the validity of the ratification by North and South Carolina (15 Stat. 706). The following day, July 21, 1868, Congress passed a resolution which declared the fourteenth amendment to be a part of the Constitution and directed the Secretary of State so to promulgate it (15 Stat. 709). The Secretary waited, however, until the newly constituted legislature of Georgia had ratified the amendment (15 Stat. 708) subsequent to an earlier rejection (15 Stat. 710), before the promulgation of the ratification of the new amendment. In the 66 years which have followed, in which the fourteenth amendment has become the most bitterly litigated portion of the Constitution, none has doubted the validity of its ratification.

The question is foreclosed by this long acquiescence by the Court and by the Nation. If more be needed, it should be recalled that there is here more than acquiescence; there is also affirmative action by Congress. And "the practical construction of the Constitution by Congress * * * is entitled to great consideration, especially in the absence of anything adverse to it in the discussion of the Convention which framed, and of the conventions which ratified the Constitution" (*Veazie State Bank* v. *Fenno*, 8 Wall 533, 544). There was, it should perhaps be noted, no discussion of the question here considered in the cursory attention given the amending procedure in either the Constitutional Convention or the Federalist (see Madison's Debates on the Adoption of the Federal Constitution, Elliott's ed., 1845, pp. 530–531, 51; Federalist, no. 43).

Not only is there the action by Congress and the long acquiescence of the Court but there is also a declaration by the Supreme Court which seems completely to foreclose any question of the validity of such ratifications which follow earlier rejections. In West Virginia, despite senate rules of procedure which forbade reconsideration of a measure during the session in which it was defeated, the senate ratified the proposed nineteenth amendment subsequent to a rejection in the same session (Orfield, Procedure of Federal Amending Power, 25 Ill. Law Rev. 418, fn. 38, pp. 436–437; argument of counsel, *Leser* v. *Garnett*, 66 L.ed. 505, 506–507). The Supreme Court, in *Leser* v. *Garnett*, 258 U.S. 130, refused to look behind the certification of the Secretary of State, or to allow him to look behind the official notices sent him. It said (at 137):

"As the legislatures of Tennessee and of West Virginia had power to adopt the resolutions of ratification, official notice to the Secretary, duly authenticated, that they had done so, was conclusive upon him, and, being certified to by his proclamation, is conclusive on the courts."

Finally, it is perhaps of interest that the writers who have considered the question are virtually unanimous in their belief that an earlier rejection does not bar subsequent ratification. (See Jameson, Constitutional Conventions, sec. 579; Willloughby, the Constitutional Law of the United States, sec. 329–a, v. 1, p. 593; Burdick, the Law of the American Constitution, sec. 20, p. 43; Orfield, Procedure of Federal Amending Power, 25 Illinois Law Revised 418, 439; Dodd, Amending the Federal Constitution, 30 Yale Law Journal 321, 347; Grinnel, Finality of State's Ratification of a Constitutional Amendment, 11 American Bar Association Journal 192; Miller, Amendment of the Federal Constitution, 60 American Law Revised 181–184; Ames, Proposed Amendments to Constitution, p. 229; 12 Corpus Juris 682; Watson on the Constitution, v. 2, pp. 1315–18; Garrett, Amending the Federal Constitution, 7 Tennessee Law Revised 286, 294; Wheeler, May Ratification Be Repeated, 20 Case and Comment 548, 550. Contra Cadwallader, Amending the Federal Constitution, 60 American Law Revised 389, 393.)

II. THE SCOPE OF THE AMENDMENT

The proposed amendment reads:

"SECTION 1. The Congress shall have the power to limit, regulate, and prohibit the labor of persons under 18 years of age.

"SEC. 2. The power of the several States is unimpaired by this article except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress."

The opponents of the measure seize upon the language used in the amendment and ground an elaborate argument upon the generality of its terms. The vehemence with which their fears are urged seems to necessitate a detailed refutation. Otherwise their alarm could be dispelled simply by the reminder that the proposal seeks to amend a constitution, not to enact a law.

The necessity of general language

No principle is more firmly enrooted in the tradition of constitutional government than that which marks the line between the Constitution itself and legislation enacted under it. The most casual student of constitutional government knows as of course that one looks to the Constitution for grants of power and to the legislation enacted thereunder for the detailed and limited exercise of the power so granted. Over a century ago Chief Justice Marshall clearly formulated the distinction between a constitution and a statute.

In *McCullough* v. *Maryland* (4 Wheat. 316, 415), he said:

"It must have been the intention of those who gave these powers, to insure, as far as human prudence could insure, their beneficial execution. This could not be done by confiding the choice of means to such narrow limits as not to leave it in the power of Congress to adopt any which might be appropriate, and which were conducive to the end. This provision is made in a

constitution intended to endure for ages to come, and consequently, to be adapted to the various crises of human affairs. To have prescribed the means by which government should, in all future time, execute its powers, would have been to change, entirely, the character of the instrument and give it the properties of a legal code."

The words used

The discussion might well have stopped with the reminder that the proposed amendment is to be added to a constitution, and that generality of language is therefore required both by necessity and by long tradition. It has been urged, however, that the text of the proposed amendment includes words of such broad connotation that virtually complete power is proposed to be given Congress over such remote fields as education, the household chores of children, and the entire field of parent-child relationships. The specific words on which these alarms are raised will individually be considered.

Labor: The opponents of the proposed amendment ground their argument chiefly upon the word "labor." It is instructive to examine the basis of this argument. A dictionary definition of labor is cited, which includes both bodily and mental effort. One is then reminded that the powers given Congress may constitutionally be exercised to their utmost extent, and the conclusion then follows that Congress will be given the power to educate, care for, and to nationalize all persons under 18 years of age.

However, in determining the meaning of a word so broad as "labor" the dictionary meaning alone cannot be taken (*Gompers* v. *United States*, 233 U.S. 604, 610).

The principles by which a constitutional amendment is to be construed have authoritatively been declared with regard to the fourteenth amendment:

"The safe way is to read its language in connection with the known condition of affairs out of which the occasion for its adoption may have arisen, and then to construe it, if there be therein any doubtful expressions, in a way, so far as is reasonably possible, to forward the known purposes or object for which the amendment was adopted" (*Maxwell* v. *Dow*, 176 U.S. 581, 602).

This rule of constitutional construction has been formulated by Story, judge, as follows:

"And perhaps the safest rule of interpretation after all will be found to be to look to the nature and objects of the particular powers, duties, and rights, with all the lights and aids of contemporary history, and to give to the words of each just such operation and force consistent with its legitimate meaning as may fairly secure and attain the ends proposed" (*Prigg* v. *Pennsylvania*, 16 Pet. 539, 610–611).

In interpreting the expression "to perform labor" in the laws forbidding the importation of persons under contracts of labor, the Supreme Court, averring that "all laws should receive a sensible construction", held that the Congress could not have intended to include in that law a minister of the gospel under contract to preach in the United States nor, under a subsequent decision, a chemist hired to work on a sugar plantation (*Holy Trinity Church* v. *United States*, 143 U.S. 457, 461; *United States* v. *Laws*, 163 U.S. 258).

The purpose of the proposed amendment is well known. It is to confer on the Congress some of the powers which the States now possess to regulate child labor. Its words are appropriate to accomplish that purpose, and the decisions of the Court show that its interpretation of the language will be made in the light of the known purposes of Congress in preparing and the States in ratifying the amendment.

The word "labor" has received extensive construction in the State courts with regard to the Sunday labor laws. The decisions under these statutes show clearly that the approach of the courts is directed almost exclusively to the consideration of what types of activity were intended by the lawmakers to be prohibited, and that this legislative intention is to be found only in the purpose of the enactment (*City of Topeka* v. *Crawford*, 78 Kans. 583; *Cortesy* v. *Territory*, 6 N.Mex. 682; *Bloom* v. *Richards*, 2 Ohio Stats. 387; *Stacy* v. *Kemp*, 97 Mass. 166).

It is especially interesting that no case has been found where the question has even been raised that the ordinary tasks of the household constitute labor within the terms of the statutes.

Regulate: Some contention is made that the term "regulate" is so broad in its content as to amount to an unwarranted delegation of power to the Congress. The argument is drawn from a few of the broader expressions of the content to be given the word as used in the commerce clause. (See *Mondou* v. *N. Y., N. H. & Hartford Railroad Co.*, 223 U.S. 1, 47; *Texas & N. O. Railroad* v. *Brotherhood of Railway and Steamship Clerks*, 281 U.S. 548, 570.) It may briefly be dismissed. The necessity that a word be construed so as to accord with its purpose has been developed above. The considerations are equally applicable here. No word may be extracted from a sentence and carried over without change to a new use in another context, as though it were a building block to be used indifferently in one structure or another. "A word is not a crystal, transparent and unchanged, it is the skin of a living thought and may vary greatly in color and content according to the circumstances and the time in which it is used" (Holmes, *J.*, in *Towne* v. *Eisner*, 245 U.S. 418, 425). In addition to interstate and foreign commerce, Congress is given power to regulate elections (art. I, sec. 4), the value of money (art. II, sec. 8), the land and naval forces (art. II, sec. 8), the appellate jurisdiction of the Supreme Court (art. III, sec. 2), and the territory and property of the United States (art. IV, sec. 2). As well contend that the connotation given the term in the commerce clause will apply, unchanged, to these diverse powers as to its use in the proposed child-labor amendment.

Prohibit: It has been suggested that the use of the word "prohibit" is especially indicative of a desire that the proposed amendment go beyond reasonable grounds. For unless it be considered pure redundancy, it is urged, the word must mean something in addition to the power granted by use of the word "regulate." The conclusion can find support only in the premise that regulate includes the power to impose reasonable prohibitions and that this content is so well accepted that a cautious draftsman could not find it advisable to insert "prohibit" to make sure that the power of reasonable prohibition be granted the Congress. Even granting all this, it is, however, non sequitur to conclude that the power to prohibit must therefore mean a power unreasonably to prohibit. A reasonable prohibition from the standpoint of social policy would not necessarily be reasonable as a collateral incident of the word "regulate."

However, the most clearly demonstrable fallacy of the argument is that which assumes that a reasonable prohibition had so uniformly been construed as implied by the word "regulate" that the draftsman would find it unnecessary to include express power to prohibit. A court of high repute had but shortly before held that the constitutional amendment allowing public advertising to be regulated and restricted did not include the power to prohibit such advertising. (In re *Opinion of the Justices*, 232 Mass. 605.)

The power granted to a city to regulate the use of its streets by automobiles does not authorize it to prohibit the use of its streets by such vehicles (*Chicago Motor Coach Co.* v. *City of Chicago*, 337 Ill. 200).

The power in a village to regulate buildings does not include the power to prohibit blacksmiths' shops. (*Village Precinct of Hanover* v. *Atkins*, 78 N.H. 308, 310. See, also, *Simpkins* v. *State*, 249 Pac. 168, 170 (Okla.), and the many cases there cited, that the terms are not synonymous.)

Representative government implies discretion in the lawmakers

It has been shown that the powers proposed to be granted Congress are not unduly broad. There is no reason to fear an abuse of this power within the limits in which Congress will be able to act. One who feels that legislators cannot be trusted with power had best retire from civilized society. Government cannot be maintained without the necessity that citizens entrust broad powers to their legislatures. The men who framed our Constitution felt that it would be better to continue the tradition of representative government rather than to guard against unwarranted legislative action by withdrawing the power to legislate.

With regard to child-labor laws, the States have always possessed powers far greater than that which it is proposed to give to the Congress.

"Child-labor laws * * * are founded upon the principle that the supreme right of the State to the guardianship of children controls the natural rights of the parents when the welfare of society or of the children themselves conflicts with parental rights. In this country their constitutionality, so far as we can ascertain, has never been successfully assailed. The supervision and control of minors is a subject which has always been regarded as within the province of the legislative authority. How far it shall be exercised is a question of expediency, which it is the province of the legislature to determine" (*Starnes* v. *Albion Manufacturing Co.*, 147 N.C. 556, 559. See, also, *Sturges & Burn* v. *Beauchamp*, 231 U.S. 320; *State* v. *Rose*, 125 La. 462; *People ex rel. Price* v. *Sheffield Farms-Slawson-Decker Co.*, 225 N.Y. 25; *Green* v. *Appleton Woolen Mills*, 162 Wis. 145.)

The power of the State legislature over the employment of children is plenary. It has been almost a century since the first child-labor legislation began to appear on the statute books. Throughout this very long period of time, in the enactments of all State legislatures dealing with the problem, no example of abuse of authority has been found, nor have the opponents of the proposed amendment adduced any example. In no State has the labor of children on their family farm been regulated. In none has the home been invaded under the guise of regulating child labor. In none has the regulation or prohibition of premature employment operated to destroy the republican form of government. In none has the State's solicitude for the health of its youth been repaid by the automatic conversion of its wards to bolshevism.

By what strange alchemy will the power to regulate child labor become so fraught with peril when entrusted to the National Government? Are the men whom the States send to Congress possessed of some strange virus which makes it unsafe to give to them power exercised as a matter of course by the legislators who remain in the State capitols?

The history of the Federal Government points to the contrary conclusion. It would be vain elaborately to prove the obvious. Yet it is perhaps desirable for illustrative purposes to point the varied and the far-sweeping powers given to Congress which are exercised as a matter of course.

The taxing power comes most readily to mind, especially when it be noted that "the power to tax involves the power to destroy" (*McCullough* v. *Maryland*, 4 Wheat. 316, 431).

The taxing power has been exercised continuously since the formation of the United States. Were the premise of the opponents of the proposed amendment correct, that every power delegated to Congress is exercised to its utmost extent, it would seem to follow that every person and every business which has been affected by Federal taxation would long since have been subjected to economic destruction.

The Congress is given the power to declare war. The power is plenary.

Perkins v. *Rogers* (35 Ind. 124, 167); *Civil Rights Cases* (109 U.S. 3, 18); *In re Wulzen* (235 Fed. 362, 365).

None will contend the Nation has been plunged into continual warfare since its inception.

One supposes that the argument that to make constitutional provision for Federal regulation of child labor is to insure legislation of the most far-sweeping character is drawn largely from the commerce clause. It is conceded that the delegation of this power to Congress has resulted in much legislation. Such has been the necessity of the case. The commercial transaction does not recognize State borders; the increasingly close-knit character of the economy has demanded that there be instituted a legislative system moderately well related to the national character of our commerce. It is fallacy, however, to argue from the development of the commerce clause to an equivalent development of the proposed child-labor amendment. A power to regulate interstate commerce, given in the day of stage-coach communication between 13 seaboard States, must of necessity grow as the interstate transaction becomes increasingly significant. On the other hand, a power to regulate the labor of children has no such expanding field in which to be exercised. It is a power directed at a specific evil; once that evil is limited to whatever extent seems to be desirable, there remains no further field in which the regulatory power may be exercised.

The distinction is vital. Unless it be made, clear thinking is impossible. It is therefore unnecessary to point out that the full implications of the commerce clause have not been realized. Yet it is perhaps of interest that even in a field so predestined to grow, many congressional powers have not yet been exerted. The Federal Employers' Liability Act covers but a portion of the occupations subject to congressional control and only a part of the employees in these occupations. The employees engaged in interstate commerce under the act are but a portion of those constitutionally subject to congressional legislation (see *Illinois Central Railroad Co.* v. *Behrens*, 233 U.S. 473, 477). No control has been exerted over interstate motor transportation, or the interstate transmission of gas or electricity (except so far as produced from water-power sites subject to the control of the Federal Power Commission). Only fragmentary regulation of the interstate telephone and telegraph business has been instituted. The list can be expanded indefinitely. It is irrelevant. Whether or not these fields are soon to be occupied by Congress, they have no bearing upon the powers implied in the child labor amendment. They have interest only when there is remembered the sweeping and detailed regulation now exercised by most of the States over these fields. Judged by such a standard, it seems that Congress at times moves to exert its power much more slowly than do the State governments.

A few examples of virtually unused congressional power may be of interest in connection with this discussion.

Article IV, section 1, provides:

"Full faith and credit shall be given in each State to the public acts, records, and judicial proceedings of every other State. And the Congress may by general laws prescribe the manner in which such acts, records, and proceedings shall be proved, and the effect thereof."

The language was inserted in the Constitution over the protest of a minority who said that it gave to Congress unlimited power to dictate the method by which State courts should decide conflict of laws litigation. (See Corwin, The Full Faith and Credit Clause (1933), 81 U. of Pa. Law Rev., 371, 373.) Yet, under the wide grant of power, Congress has passed but two acts, one in 1790 (1 Stat. 122) and one in 1804 (2 Stat. 298) which prescribe the method of proving judgments, statutes, and public records taken from other States and provide that full recognition shall be given judgments (but not statutes). For suggestive discussions of the unexercised powers open to Congress under this provision, see Corwin, supra, and Cook, The Powers of Congress Under the Full Faith and Credit Clause (1919), 38 Yale Law J. 421.

The fourteenth amendment, section 1 of which has become the most litigated portion of the Constitution, provides, in section 5, that, "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article." This section, combined with the substantive restrictions upon State action contained in section 1, were intended to work a rather fundamental change in the character of the Government, through giving to Congress the power to enforce a bill of rights within the States. (See Flack, the Adoption of the Fourteenth Amendment (1908) 56–81, 94–96; 1 Willoughby on the Constitution (2d ed., 1929), 236–237; Grant, Natural Law Background of Due Process (1931) 31 Columbia Law Rev. 56, 66; note, the Enabling Clause of the Fourteenth Amendment (1933), 33 Columbia Law Rev. 854). Due in chief part to restrictive judicial interpretation (see *Slaughter House Cases*, 16 Wall. 36), but also in large part to congressional inactivity, this purpose has now little importance other than the historical. For under the fifth section quoted above and under equivalent grants of power under the thirteenth and fifteenth amendments, Congress has passed none but the four civil rights acts (14 Stat. 27, 1866; 16 Stat. 141, 1870; 17 Stat. 13, 1871; 18 Stat. 336, 1875). These acts sought only to provide enforcement to insure that some (see *Strauder* v. *West Virginia*, 100 U.S. 303, 311, that Congress has partially enumerated the rights intended by section 1) of the civil rights found in the fourteenth amendment be extended to the Negro. In spite of the restrictive judicial interpretation, the author of the most comprehensive survey of the field concludes that Congress has, among other things, the power to eliminate double taxation by the States, to fix the character of the interstate transaction to which the State in which suit is brought may apply its own law, to establish a rate-making formula to be applied by State regulatory commissions, and to nullify or modify State moratorium legislation (enabling clause of the fourteenth amendment, supra, pp. 864–868). Since the power open to Congress seems equivalent to the power of the Supreme Court to review State action under the due process clause (so long as Congress itself stays within the limits of due process as found in the fifth amendment), the illustrations of congressional power can be expanded indefinitely. This power has not been exercised, nor does there appear to be the remotest likelihood that it ever will so be exercised.

Article I, section 4, reads:

"The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the place of choosing Senators."

"In this clause sufficient authority is given the Federal Government, should it so see fit, to assume entire and exclusive control of the election of Senators and Representatives; to establish by acts of Congress the regulations governing the same, and to apply and enforce these regulations by Federal officials and tribunals" (2 Willoughby, supra, 638–639). Under this clause, Congress for 25 years exercised a comprehensive control of congressional elections. The acts passed in 1870 and 1872 (16 Stat. 144, 256; 17 Stat. 347) provided not only an extensive body of law by which these elections were to be governed, but also provided for Federal officials to enforce them and to preserve order. They were held constitutional even when under them there were arrested officers engaged in control of State elections held simultaneously, when such officers interfered with the Federal officials, and where there were arrested private individuals who conspired to interfere with citizens attempting to vote (*Ex parte Siebold*, 100 U.S. 371; *Ex parte Yarborough*, 110 U.S. 651).

With a few exceptions, these acts were repealed in 1894 and the Federal Government has since made no attempt to control congressional elections through its own officials (2 Willoughby, supra, 639).

The examples which have been given are among the more dramatic (as measured by the potentialities of its power) instances of congressional modesty. There are others. Further enumeration is unnecessary. Those presented are sufficient to show that Congress, in common with all legislatures, can be given legislative authority without automatic transformation into a body which hungrily reaches out to bring all possible transactions within its regulations.

The legislative power is limited by due process and judicial review

It is argued that the grant of power embodied in the proposed amendment will be capable of exercise by Congress without judicial supervision, without the restraints upon arbitrary action which are found in the Bill of Rights. The argument that the fifth and other amendments will in this regard be nullified rests upon the erroneous assumption that it can have no application to a subsequent amendment, that the amendment would not only give jurisdiction over the subject matter to the Federal Government but would repeal all checks upon the exercise of this jurisdiction.

The argument controverts the accepted principles of construction. It is conceded that subsequent legislation or amendment repeals earlier provisions which are necessarily in conflict. But this would here be the result only were the proposed amendment to read: "The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age and its power shall be limited by no other provision of the Constitution." Few rules are more firmly established than that which states that the courts will never sanction repeals by implication, that only where two statutes are in irreconcilable conflict will a legislative intent to repeal be presumed (*Beals* v. *Hale*, 4 How. 36, 53; *Russell* v. *Williams*, 106 U.S. 623, 628; *Washington* v. *Miller*, 235 U.S. 422, 628; *United States* v. *Burroughs*, 289 U.S. 159, 164).

The rule applies not only to statutes. If anything, the considerations are far stronger which lead to the refusal to construe one part of the Constitution so as to nullify another provision. Fundamental constitutional principles "are of equal dignity", and none must "be so enforced as to nullify or substantially impair" another (*Dick* v. *United States*, 208 U.S. 340, 359).

"It cannot be presumed that any clause in the Constitution is intended to be without effect" (*Marbury* v. *Madison*, 1 Cr. 137, 174).

The judicial history of the sixteenth and eighteen amendments shows that the constitutional limitations upon congressional legislation are carried over to new amendments as a matter of course.

The sixteenth amendment provided that the "Congress shall have power to lay and collect taxes on income, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration." Were the position correct which is adopted by the opponents of the proposed child-labor amendment, it would follow that so long as Congress levied a tax upon income there could be no constitutional restraint upon its action. Yet in the first case to arise under the amendment the court pointed out that an arbitrary tax, amounting to confiscation, would be invalid. It proceeded to consider the tax levied by Congress, and concluded that the tax was not within

such a category (*Brushaber* v. *Union Pacific Railroad Co.*, 240 U.S. 1, 24–26).

An even stronger case is found in the attempt by Congress to tax the salaries of Federal judges. The language of the amendment, reading "from whatever source derived", would seem clearly to justify such taxation. If words mean anything, here is an express grant of power. Yet it was held that the language should not so be construed as to conflict with an implication of article III, section 1: "The judges * * * shall at stated times, receive for their services a compensation which shall not be diminished during their continuance in office." Accordingly, Congress was declared to be without power to levy an income tax upon the salary of a Federal district judge during his tenure of office (*Evans* v. *Gore*, 253 U.S. 245).

Even though the judge be appointed after the enactment of the income tax, where there is no discernible diminution of compensation, however indirect, during his tenure of office, the tax may not constitutionally be applied to his salary (*Miles* v. *Graham*, 268 U.S. 501).

Although there is in the Constitution no word on which State immunity from Federal taxation may be grounded, the general implications of the dual form of government have been declared sufficient to protect States and their instrumentalities from Federal taxation, despite the language of the amendment (*Metcalf & Eddy* v. *Mitchell*, 269 U.S. 514).

Accordingly, income derived from State and municipal bonds may not be taxed (*National Life Insurance Co.* v. *United States*, 277 U.S. 508, 521).

Nor may the salary of an employee of a municipal street railway be subjected to taxation (*Frey* v. *Woodworth*, 2 F. (2d) 725).

This doctrine of tax immunity, it should be noted, is erected in the teeth of language which on its face would justify the taxation of income from any source. The doctrine is grounded on constitutional implications rather than any express mandate of the Constitution. Yet the opponents of the child-labor amendment seem to fear that language, which only by remote implication could be said to negative constitutional limitations, will be so construed as to nullify express provisions of the Constitution.

The eighteenth amendment, giving Congress power by appropriate legislation to enforce the prohibition against the manufacture, sale, or transportation of intoxicating liquors, did not remove this legislation from the limitations imposed by the fifth amendment. In the first case to arise the Court said: "While recognizing that there are limits beyond which Congress cannot go in treating beverages as within its power of enforcement, we think those limits are not transcended by * * * the Volstead Act" (*National Prohibition Cases*, 253 U.S. 350, 387).

In a later case arising under the National Prohibition Act it was declared, after the customary statement that the Court may inquire into neither the degree of necessity for the legislation nor its wisdom, that "what it may consider is whether that which has been done by Congress has gone beyond the constitutional limits upon its legislative discretion" (*Everard Breweries* v. *Day*, 265 U.S. 545, 559).

Legislation enacted under the amendment, providing for methods of enforcement, is subject to the fourth amendment, forbidding unreasonable searches and seizures (*Carroll* v. *United States*, 267 U.S. 132, 147; *State* v. *Knudsen*, 154 Wash. 87, cert. den., 281 U.S. 745; *Salata* v. *United States*, 286 Fed. 125 (C.C.A. 6th)).

In neither the principles of construction nor the judicial history of other amendments is there basis for the contention that the power granted by the proposed child-labor amendment will in some inexplicable fashion be clothed with immunity from the constitutional restraints universally imposed upon congressional action.

Since there would of necessity be judicial review for child-labor legislation, it becomes of interest to determine the probable attitude of the Supreme Court toward the unwarranted extensions of congressional power which are so insistently feared by the opponents of the proposed amendment.

The court has repeatedly and unmistakably announced its opposition to interference with transactions properly subject to State authority, even though that interference be made in the name of a Federal power.

The expanding commercial enterprise of the Nation has, as has earlier been noted, necessitated a more or less corresponding growth in the content of the commerce clause. Transactions which ignore State borders must be subject to a less-restricted governmental authority. Yet throughout this continuing expansion of Federal control over the interstate transaction (carefully to be distinguished from the situation to be found in child-labor legislation), the Supreme Court has uniformly been zealous to prevent any trenching upon the rightful sovereignty of the State. Matters foreign to interstate commerce have consistently been protected against Federal intrusion.

Thus, the attempt of Congress to bar from interstate commerce the products of child labor has been held to be an unconstitutional attempt to control the process of production and manufacture, a subject of local concern (*Hammer* v. *Dagenhart*, 247 U.S. 251).

The Sherman Act has been limited in operation to restraints upon interstate trade and has no application to combinations against local enterprises, no matter how catastrophic the conspiracy may be to those injured (*United Mine Workers* v. *Coronado Coal Co.*, 259 U.S. 344; *United Leather Workers* v. *Herkert & Meisel*, 265 U.S. 457).

Equally sweeping is the taxing power of Congress. Yet the Court has shown itself watchful to prevent the use of this power to gain control over subjects not entrusted to Federal regulation. A tax upon the products of child labor has been voided because it was regarded as an attempt to regulate "a subject not entrusted to Congress" (*Bailey* v. *Drexel Furniture Co.*, 259 U.S. 20).

Similarly, a tax upon contracts for the sale of grain futures has been invalidated as an attempt to go beyond the taxing power granted to Congress (*Hill* v. *Wallace*, 259 U.S. 44).

The power in Congress to license enterprises cannot so be used as to license an individual to conduct a business in a State where such activity has been banned by local law (*Pervear* v. *Commonwealth*, 5 Wall. 475).

The fourteenth amendment declares that no State shall abridge the privileges or immunities of citizens of the United States. The words were narrowly construed to refer only to those privileges and immunities which flow directly from the Federal Government, and to have no operation upon the privileges and immunities which the individual enjoys in his ordinary activities. The construction was adopted because of the large measure of Federal control over the internal affairs of States which would otherwise result (*Slaughter House Cases*, 16 Wall. 36, 78).

The Court has consistently refused to allow any broadening of this narrow construction (*Kidd* v. *Pearson*, 128 U.S. 1; *United States* v. *Cruikshank*, 92 U.S. 542).

The same amendment expressly gives Congress the power to endorse its provisions by appropriate legislation. Again, this has narrowly been construed. Where Congress had attempted to control the activities of individuals, as opposed to the States themselves, the Court has invalidated the legislations (*Civil Rights Cases*, 109 U.S. 3).

Similarly, it has been held that the fifteenth amendment, while it protects against discrimination because of race, color, or previous condition of servitude, does not confer the right of suffrage, which remains a State privilege. No implication of the amendment has been allowed to interfere with the freedom of the States to grant or limit the right to vote as they think best, so long as there be no discrimination of the type forbidden by the amendment (*United States* v. *Reese*, 91 U.S. 214).

Nor does this amendment, despite the power which it gives to Congress to adopt appropriate legislation, confer upon that body any power to prevent individuals, not acting under State authority, from interfering with the right of suffrage (*James* v. *Bowman*, 190 U.S. 127).

Such is the solicitude of the Supreme Court for the power of the States to deal with their internal affairs in the manner they think best. This solicitude has been exercised, at times, almost in the teeth of language pointing to the contrary result. Can it be thought that this Court will so construe the proposed child-labor amendment as to permit congressional invasion of the educational systems of the States, the religious training of the sects, or the parental discipline of the home?

There can be no doubt but that the States have, and always have had, as complete a power over the school, the church, and the home as may be given a government under our constitutions. In their hands is that great reservoir of governmental power sometimes called the "police power." In these fields, where government constitutionally may act the power is that of the State. Their powers are carefully to be contrasted with that proposed to be delegated to the Federal Government, limited as the latter is to the labor of persons under 18 years of age. Yet even the States, with their broad powers, have met with sharp rebuke on the very rare occasions when they have attempted to trench upon matters considered more proper for teacher, cleric, or parent, than for government. This State legislation has been invalidated under the due-process clause of the fourteenth amendment. An identical clause is in the fifth amendment, which limits the Federal Government.

Where a State has attempted to require that grammar-school education be given only in the public schools, the Supreme Court has, on the complaint of a parochial school, invalidated the legislation. In so doing it said:

"The fundamental theory of liberty on which all governments in this Union repose excludes any general power of the State to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the State; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations" (*Pierce* v. *Society of Sisters*, 268 U.S. 510, 535).

Again, where a State has attempted to forbid instruction of modern languages other than English to pupils of grammer-school status, the Supreme Court has declared invalid the legislation as a forbidden encroachment upon fields long held beyond the rightful reach of Government. The liberty guaranteed by the due process clause of the fourteenth amendment as well as by the fifth amendment, was held to include the right to "acquire useful knowledge, to marry, establish a home, and bring up children" and

"This liberty may not be interfered with, under the guise of protecting the public interest, by legislative action which is arbitrary or without reasonable relation to some purpose within the competency of the State to effect. Determination by the legislature of what constitutes proper exercise of police power is not final or conclusive but is subject to supervision by the courts" (*Meyer* v. *Nebraska*, 262 U.S. 390, 399–400).

It seems difficult to read this language and thereafter to fear that this Court could permit the Congress, under the guise of child-labor legislation, to invade fields so carefully guarded from the broad powers of the States.

Judged, then, in the light of experience under other constitutional provisions granting powers to Congress, there are two safeguards against the excesses which opponents of the amendment fear. One is that Congress itself has shown moderation in its action, and the other is that the Supreme Court has freely made use of its power to protect the right of the States and of the people when Congress has gone beyond the limits of its grant.

The experience of the eighteenth amendment

The opponents of the proposed child-labor amendment make much of the bitter experience of the eighteenth amendment. But that experience has no relevancy to the proposed child-labor amendment. Both are amendments to the Federal Constitution. Both delegate legislative powers formerly local in nature to the Federal Government. Beyond this the two amendments have nothing in common. Measured only by these two tests, the thirteenth, fourteenth, fifteenth, sixteenth, and nineteenth amendments must also be included in the comparison. To argue from the experience under the eighteenth amendment to that to be expected under the child-labor amendment is to invite error.

Much is made of the extremes to which enforcement of the eighteenth amendment was carried. In this light the eighteenth and the proposed child-labor amendments differ in so many basic characteristics that no analogy whatever may be drawn between the two.

The eighteenth amendment was so drafted as to be an absolute prohibition. "The second section of the amendment * * * does not enable Congress or the several States to defeat or thwart the prohibition, but only to enforce it by appropriate means" (*National Prohibition Cases*, 253 U.S. 350, 387). The proposed child-labor amendment does not so strip Congress of discretion, but permits regulation which may be relaxed or varied as circumstances seem to warrant.

The eighteenth amendment was designed to eradicate from the national culture individual habits, the most tenacious and insistent of the rebels against governmental authority. No such attempt is contemplated in the child-labor amendment. None feels an insistent desire, buttressed by generations of social tradition, to employ children. There can, therefore, be no comparison between the types of enforcement necessary in the two amendments.

The eighteenth amendment attempted absolutely to prohibit the use of beverages which a substantial portion of the population felt to be desirable and harmless. Of necessity there would spring up a huge underworld business whose business would be to supply this desire. Effectively to combat the bootlegger, the racketeer, the mobster, and the other elements of gangdom whose prosperity depended upon this habitual violation of the law, required strong-arm methods on the part of the Government. With this situation must be contrasted the proposed child-labor amendment. There is no widespread and insistent demand for the products of child labor. Even the opponents of this amendment concede child employment to be undesirable. No criminal enterprise could fill this demand, even were it present. The violator of the child-labor laws would not be a gangster. He would be a business man possessed of somewhat more regard for the profits of his enterprise than the health and morals of his child employees. However deplorable his outlook none can expect that the factory would be equipped with machine guns and peopled with thugs in order to repel any Government inspector who happened near.

Enough has been said to indicate the complete folly in attempting to draw from the experience with the eighteenth amendment any competent guide to the enforcement problems of the proposed child-labor amendment. So far as the machinery and the technique of Federal enforcement of child-labor legislation is concerned, sufficient experience has been gained during the earlier attempts by Congress to regulate this field to permit a quite accurate prediction.

Various unfounded objections considered

There remain to be mentioned a few extreme arguments advanced against the ratification of the proposed amendment. They do not merit serious attention. They carry their own refutation written large across their face.

Destruction of the republican form of government: It is argued that to give the Federal Government power to regulate child labor is to destroy the republican form of government. The basis of the argument is not clear; its proponents have made it no clearer through repetition. A republican form of government is commonly understood to be one in which the sovereign power is exercised by representative elected by and responsible to the citizens. Regulation of child labor has no conceivable bearing on this method of governing. If it has, the republican form of government has long since been destroyed in every State of the Union.

Nullification of the fourth amendment: It has been asserted that "the right of the people to be secure in their homes" as guaranteed by the fourth amendment will be swept away if the proposed amendment be adopted. The assertion has not been advanced with any great confidence or with any elaboration. It can be made only if it be assumed: That the proposed amendment authorizes regulations within the home, that Congress will exercise this power, that its enforcement will involve the "unreasonable searches and seizures" forbidden by the fourth amendment, and that the courts would not interfere. Each of the four steps, as has elaborately been demonstrated earlier in this brief, is clearly fallacious.

Compulsory military training and service: It has solemnly been declared that to ratify this amendment is to ensure compulsory military training and service for all persons under 18 years of age. Presumably the contention is based on the assumption that labor is equivalent to military service, and that regulate, limit, and prohibit is equivalent to compel. The earlier discussion of the content of these terms is sufficient answer to this argument. Moreover, Congress already has this power, except so far as limited by other parts of the Constitution. Article I, section 8, clause 12, enables Congress "to raise and support armies." The opponents of ratification of the proposed amendment would have one believe that, having failed to exercise a clear grant of power for 145 years, Congress would seek to require military service under the guise of protective labor legislation.

Nationalization of children: It is believed that the most completely absurd of the arguments advanced against ratification is that which intones a solemn warning against the nationalization of the youth of the country. Diligent but unsuccessful effort has been made to understand precisely what is feared. It summons to mind a horde of wild children, alternately screaming invective at their parents and allegiance to their country. More charitably, it may be feared that children will acquire subversive doctrine unless sent to the mill or the factory at an early age. Perhaps the cry of nationalization is a variation of the more familiar argument, whose falsity has been demonstrated above, that the proposed amendment gives the Congress the power not only to regulate the employment but also the family life of the child. In whatever form this undefined but oft-repeated fear may be expressed, it would seem that it hardly can gain reasonable character.

ANTI-INJUNCTION LABOR LAW—OPINION OF CIRCUIT COURT OF APPEALS

Mr. NORRIS. Mr. President, I have before me a copy of the opinion of the United States Circuit Court of Appeals for the Second Circuit upholding the recent anti-injunction labor law which we passed. I ask unanimous consent that it may be printed in the CONGRESSIONAL RECORD.

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

UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

LEVERING & GARRIGUES CO., HEDDON IRON CONSTRUCTION CO., HAY FOUNDRY & IRON WORKS, AND MCCLINTIC-MARSHALL CO., PLAINTIFF-APPELLEES, *v.* PAUL J. MORRIN, WILLIAM J. MCGINN, CHARLES MASSEY, AND EARL CALVERT, DEFENDANTS-APPELLANTS

Before Manton, Augustus N. Hand, and Chase, Circuit Judges.

Appeal from the United States District Court for the Southern District of New York. Suit for injunction restraining the defendants from certain acts in a labor controversy. Decree for plaintiffs; defendants appeal. Reversed.

Frank P. Walsh, Esq., attorney for appellants. Frank P. Walsh, Esq., John Walsh, Esq., of counsel.

Edward Maxson, Esq., Merritt Lane, Esq., of counsel for appellees.

MANTON, Circuit Judge: Appeal from a final decree. The decree as entered is alleged to be in violation of the labor law (title 29, U.S.C.A., S. 104, subdivisions (a), (e), (g), (h), (i)). The case was here before (61 Fed. 2d 115), where we reversed the lower court, and that reversal was affirmed by the Supreme Court (289 U.S. 103). We directed that the bill be dismissed without prejudice for lack of jurisdiction unless the appellees amended so as to correct the jurisdictional defect by striking from the bill a number of defendants. Below the court permitted the amendment and enjoined the present appellants.

These appellants, by the decree made October 14, 1933, amended January 8, 1934, are restrained and enjoined, with their agents or servants or those in active concert with them, "from inducing, or attempting to induce, owners, architects, or general contractors to let no subcontracts to plaintiffs for the erection of structural iron and steel on buildings now being or to be erected in the metropolitan district of New York by sending to them circulars or other writing, stating, threatening, warning, or intimating * * * that members of the unions associated with the international may or will refuse to work on buildings upon which plaintiffs have or may have subcontracts, or by ordering, instigating, carrying on, or supporting sympathetic strikes on buildings upon which plaintiffs have or may have subcontracts, or from otherwise attempting by coercive pressure, threats, or intimidation, or such other unlawful means, to compel or influence owners, architects, and general contractors not to patronize the plaintiffs."

After issue was joined, the matter was referred to a master who found that at the time of the occurrences involved, the building industry in the metropolitan district of New York was completely organized, excepting as to appellants and other members of the Iron League. Unions had been recognized and were operating under union conditions, including a closed shop. The appellees and other members of the Iron League were operating on an open-shop basis, the effect of this being that in the construction of large buildings, members of unions operating closed shop and working on the same building at trades other than steel erection, would have to work side by side with nonunion men who might be employed by members of the league. This gave rise to a controversy resulting in continuous strife between the Iron League and the international union for a number of years. The league insisted on operating on an open-shop plan, employing both union and nonunion men. The international's policy has been to cause the league to recognize the union and work under union conditions, including the closed shop. As a result strikes and labor troubles occurred from time to time during the years, some of which were sympathetic strikes.

The master found that the controversy and dispute between the union and the appellees arose because of this difference of opinion and purposes; that the purpose of the appellants was to obtain a closed-shop condition, and the purpose of the appellees to obtain an open-shop condition in their employment of labor; that by making public, notifying, advising, and urging owners, architects, and contractors engaged in the building business that members of the unions would cease and refuse to perform any work or to remain in any relation of employment with them if the subcontracts let for the erection of steel did not provide for the closed shop; that the appellants did give publicity to the existence of their complaint against the appellees by advertising, speaking, and patrolling, and they did so advise and notify the contractors that unless their requests were granted they would advise, urge, and get the agreement of others to cease to perform any work or to remain in any relation of employment with them; that appellants, appellees, the owners, architects, and contractors were all engaged in the same industry; that the dispute was not attended by fraud or violence; and that the defendants did not stand in direct relationship of employer and employee with the appellees.

The present appellants, Paul Morrin, William J. McGinn, Charles Massey, and Earl Calvert, are members of the International Association of Bridge, Structural, and Ornamental Iron Workers and are now the sole defendants, for, after the reversal on the former appeal, permission was granted by the district court to discontinue the suit as to the other named defendants.

In reversing the lower court, we stated that the district court was to determine whether recent legislation (title 29, U.S.C.A., secs. 101–115) had any application to further proceedings in this cause. The applicable provisions of the statute are section 104, which reads:

"SEC. 104. Enumeration of specific acts not subject to restraining orders or injunctions. No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction in any case involving or growing out of any labor dispute to prohibit any person or persons participating or interested in such dispute (as these terms are herein defined) from doing, whether singly or in concert, any of the following acts:

"(a) Ceasing or refusing to perform any work or to remain in any relation of employment;

"(e) Giving publicity to the existence of, or the facts involved in, any labor dispute, whether by advertising, speaking, patroling, or by any other method not involving fraud or violence;

"(g) Advising or notifying any person of an intention to do any of the acts heretofore specified;

"(h) Agreeing with other persons to do or not to do any of the acts heretofore specified; and

"(i) Advising, urging, or otherwise causing or inducing without fraud or violence the acts heretofore specified, regardless of any such undertaking or promise as is described in section 103 of this chapter."

No court of the United States may grant a restraining order, temporary or permanent, in a labor dispute because of doing in concert the acts enumerated in section 104. Section 113 provides:

"SEC. 113. Definitions of terms and words used in chapter. When used in this chapter, and for the purposes of this chapter—

"(a) A case shall be held to involve or to grow out of a labor dispute when the case involves persons who are engaged in the same industry, trade, craft, or occupation; or have direct or indirect interests therein; or who are employees of the same employer; or who are members of the same or an affiliated organization of employers or employees; whether such dispute is (1) between one or more employers or associations of employees; (2) between one or more employers or associations of employers; or (3) between one or more employees or associations of employees and one or more employees or associations of employees; or when the case involves any conflicting or competing interests in a 'labor dispute' (as hereinafter defined) of 'persons participating or interested' therein (as hereinafter defined).

"(b) A person or association shall be held to be a person participating or interested in a labor dispute if relief is sought against him or it, and if he or it is engaged in the same industry, trade, craft, or occupation in which such dispute occurs, or has a direct or indirect interest therein, or is a member, officer, or agent of any association composed in whole or in part of employers or employees engaged in such industry, trade, craft, or occupation.

"(c) The term 'labor dispute' includes any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether or not the disputants stand in the proximate relation of employer and employee.

"(d) The term 'court of the United States' means any court of the United States whose jurisdiction has been or may be conferred or defined or limited by act of Congress, including the courts of the District of Columbia."

We think that the relief granted in the decree appealed from is in violation of the above statute. The cause grows out of a labor dispute, as defined in section 113 (c) and is a controversy between members of an association of employers and members of an association of employees engaged in the same industry (sec. 113 (a) (6)). The appellees were seeking to arrange terms or conditions of employment.

Now, under the statute, a district court cannot restrain the notifying of parties by interested individuals (sec. 104 (g)) of an intention to refuse to work; nor can the court prevent, in the absence of fraud or violence, the giving of publicity to the facts in the controversy (sec. 104 (e)) or encouraging others to refuse to work (sec. 104 (i)). The fact that the notification and the publicity will result in coercing the parties informed and cause them to refrain from contracting with the appellees cannot be taken into consideration, for the court is without the power to prevent such notification. The court has not the power or authority to issue an injunction against these appellants who are engaged in a controversy arising out of an attempt to establish a closed shop by notifying general contractors and architects of an intention of members of a union to refuse to work, nor can these appellees prevent these appellants from refusing to work or inciting sympathetic strikes.

It is argued, however, that the deprivation of the district court of its power to issue an injunction in a case which does not involve interstate commerce and where the jurisdiction of the court is based upon diversity of citizenship, is tantamount to a grant of jurisdiction with a concurrent withholding of the power to properly administer the causes over which the jurisdiction has been granted, and, therefore, the statute is unconstitutional within the rule announced in *Michaelson* v. *United States* (266 U.S. 42).

However, Congress has the power, as now exercised, of withdrawing this jurisdiction from the district court. Congress may give either whole or restricted jurisdiction at its discretion, provided there is no extension beyond the boundaries fixed by the Constitution (*Kline* v. *Burke Construction Co.*, 260 U.S. 226), and Congress has the power to regulate the power which it grants. *Ex parte Robinson* (19 Wall. 505); *Michaelson* v. *United States, supra.*

It has been said that the attributes which inhere on a grant of power over a subject and which are inseparable from it cannot be rendered practically inoperative. But the power to issue an injunction is not necessarily within the class of inherent attributes (*Smith* v. *Apple*, 264 U.S. 274). Congress has not exceeded its powers in this legislation.

We think it unnecessary to consider here whether this statute denying injunctive relief differs from statutes regarded as valid, although they curtailed remedies. In *Duplex Printing Press* v. *Deering* (254 U.S. 443) the statute limited the power to grant injunctions where the relationship of employer and employee existed. The constitutionality of the enactment was raised but not discussed. The court, however, recognized the limitation by acknowledging that the statute imposed restrictions upon the powers of the Federal equity court, and, in fact, stated that the restriction was in the nature of a special privilege or immunity to a particular class.

But the sole effect of the restriction was the subjection of the statute to a strict construction. In *Truax* v. *Corrigan* (257 U.S. 312) upon which the appellees rely, the Supreme Court held unconstitutional a State statute which prohibited the issuance of injunctions in all cases, but those in which the acts complained of were accompanied by violence. But the Truax case involved the power of a State legislature and is to be further distinguished on the basis of the different effects of the respective statutes upon property rights. The Supreme Court stated:

"The opinion of the State supreme court in this case, if taken alone, seems to show that the statute grants complete immunity from any civil or criminal action to the defendant for it pronounces their acts lawful."

In the instant case, the statute considered grants no such complete immunity. Therefore, a case is not presented calling for the invocation of the due-process clause since the present statute is in effect nothing more than a limitation affecting remedy rather than property rights.

The right of a litigant, as stated in *Kline* v. *Burke Construction Co.* (supra, at p. 233), "to maintain an action in a Federal court on the ground that there is a controversy between citizens of different States is not one derived from the Constitution of the United States unless in a very indirect sense. * * * The Constitution simply gives to the inferior court the capacity to take jurisdiction in the enumerated cases, but it requires an act of Congress to confer it. * * * A right which thus comes into existence only by virtue of an act of Congress after its exercise has begun cannot well be described as a constitutional right."

Since Congress may curtail this remedy or withdraw the jurisdiction of the district court, no constitutional rights based upon the withdrawal of remedial rights can be successfully raised, since the litigant never had an absolute constitutional right to have a Federal court take jurisdiction. While we held on the former appeal that there was no jurisdiction, we did permit the district court leave to allow appellees to amend the complaint. Although the complaint was amended, a new decree could not be entered, for the court had not the power to grant the injunction. The statute was applicable and binding on the lower court at the time of the entry of the decree (*Duplex Printing Press Co.* v. *Deering*, supra).

Decree reversed.

THE CALENDAR

The VICE PRESIDENT. Under the unanimous-consent agreement entered into yesterday, the Senate will proceed to the consideration of bills on the calendar, beginning with Order of Business No. 1243, Senate bill 3446.

MOTOR VEHICLES SEIZED FOR VIOLATIONS OF CUSTOMS LAWS

The bill (S. 3446) to authorize the Postmaster General to receive, operate, and to maintain for official purposes motor vehicles seized for violations of the customs laws, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any vehicle forfeited to the United States by a decree of any court for violations of the customs laws be ordered by the court, upon application of the head of the department by which the seizure is made, to be delivered to the Post Office Department for use in the enforcement of the postal laws and regulations.

Any vehicle acquired under the provisions of this act shall be utilized only for official purposes in the enforcement of the postal laws and regulations. The appropriation available for the maintenance of vehicles in the Postal Service shall be available for the payment of the expenses of maintenance, repair, and operation of said vehicles, including motor-propelled passenger-carrying vehicles. The said appropriation shall also be available for the payment of the actual costs incident to the seizure and forfeiture, and if the seizure is made under any section of law under which liens are recognized, for the payment of the amount of such lien allowed by the court.

HIRE OF VEHICLES FROM POSTAL EMPLOYEES

The bill (H.R. 4224) to authorize the Postmaster General to hire vehicles from postal employees was considered, ordered to a third reading, read the third time, and passed.

GRACE G. COOLIDGE FRANKING PRIVILEGE

The bill (H.R. 5344) granting a franking privilege to Grace G. Coolidge was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF SECTION 3937, REVISED STATUTES

The bill (H.R. 7348) to amend section 3937 of the Revised Statutes was considered, ordered to a third reading, read the third time, and passed.

PRIVATE CONVEYANCE OF LETTERS

The bill (H.R. 7670) relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only, was considered, ordered to a third reading, read the third time, and passed.

MILITARY INSTRUCTOR FOR HIGH-SCHOOL CADETS, DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 3644) to provide for the assignment of a military instructor for the high-school cadets of Washington, D.C., which had been reported from the Committee on Military Affairs, with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That, notwithstanding any other provision of law, the Secretary of War is authorized and directed to detail a retired officer of the United States Army to active duty as professor of military science and tactics at the public high schools of Washington, D.C., and while so detailed such officer shall receive the active pay and allowances of the grade and rank held by him: *Provided*, That appropriations for the War Department, fiscal year ending June 30, 1935, and the item therein for increased pay to retired officers on active duty are hereby increased by the amount of $2,887.56.

The amendment was agreed to.

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

BILL PASSED OVER

The bill (S. 3182) to provide for the purchase of the surplus copper heretofore mined and processed in the United States was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

HAMPTON & BRANCHVILLE RAILROAD CO.

The bill (S. 3294) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co., of Hampton, S.C., against the United States for the sum of $4,306.51, representing the amount of a judgment recovered by the United States from such company by virtue of a certain guaranty contract between such company and the United States entered into in accordance with the provisions of section 209 of the Transportation Act, 1920, and such additional sum as may be found to be due by the United States to such company as a result of such contract.

SEC. 2. The Court of Claims is authorized and directed to make such detailed examination of the accounts of such company as may be necessary in order to ascertain the amount, if any, due such company by the United States by virtue of such contract.

SEC. 3. Such claim may be instituted at any time within 6 months after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

FRANCIS A. PARRY

The Senate proceeded to consider the bill (S. 2599) for the relief of Francis A. Parry, which had been reported from the Committee on Military Affairs with amendments, on page 1, line 6, after the name "Parry", to insert "deceased"; in line 7, after the word "considered", to strike out "to have served without desertion and"; in line 11, after the word "war", to strike out "but no pension, bounty, retirement pay, back pay, or allowance shall be held to have accrued by reason of this act prior to its passage" and to insert in lieu thereof "*Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act", so as to make the bill read:

Be it enacted, etc., That in the administration of the homestead laws or any laws conferring rights, privileges, or benefits upon widows, children, or heirs of persons honorably discharged from the United States Army, Francis A. Parry, deceased, shall be held and considered to have been honorably discharged on May 21, 1864, as a corporal, Company B, Eighty-second Regiment New York Volunteer Infantry, United States Army (Civil War): *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendments were agreed to.

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

The title was amended so as to read "A bill for the relief of Francis A. Parry, deceased."

HEGEMAN-HARRIS CO.

The bill (S. 3581) to authorize the Comptroller General of the United States to settle and adjust the claim of the Hegeman-Harris Co. was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of the bill.

Mr. COPELAND. Mr. President, the Senator from Vermont [Mr. GIBSON] went into this matter very carefully and is familiar with it.

Mr. GIBSON. Mr. President, the bill does not call for the appropriation of any additional money. It simply provides for settlement of the claim growing out of the completion of the post-office building at Rutland, Vt.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims, with an amendment, on page 2, after line 9, to insert: "The Comptroller General of the United States shall pay the money without regard to any priorities the Government may claim against the National Surety Co. in other cases, and when the money shall so have been paid it shall be set aside for subcontractors, material men, and laborers who did the work or supplied material for this building with a view to paying their claims, if any: *Provided*, That no payment shall be made until 60 days from the passage of this act or until personal notice has been given all claimants for the filing of such claims", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the Hegeman-Harris Co. for an amount not exceeding $19,138.18, as reimbursement of expenditures made and cost of work performed by the said Hegeman-Harris Co., in the completion, at the request of the National Surety Co., of contract TSA1755, dated June 25, 1931, with the Brooklyn & Queens Screen Manufacturing Co., Inc., for the construction of the new post-office and courthouse building at Rutland, Vt., after the United States had terminated the right of the Brooklyn & Queens Screen Manufacturing Co., Inc., to proceed and the work had been taken

over by the National Surety Co., as surety on the performance bond, and before said surety company was placed in the hands of a rehabilitator appointed by the insurance department of the State of New York. The Comptroller General of the United States shall pay the money without regard to any priorities the Government may claim against the National Surety Co. in other cases, and when the money shall so have been paid it shall be set aside for subcontractors, material men, and laborers who did the work or supplied material for this building with a view to paying their claims, if any: *Provided*, That no payment shall be made until 60 days from the passage of this act or until personal notice has been given all claimants for the filing of such claims. Such allowance as may be made by the Comptroller General as herein provided shall be paid from the appropriation made for the construction of the building in question, which are hereby made available therefor, and the payment so made shall be charged to the National Surety Co. in the adjustment of the accounts between said company and the United States.

The amendment was agreed to.

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

INTERNATIONAL CELEBRATION AT FORT NIAGARA, N.Y.

The joint resolution (H.J.Res. 341) authorizing an appropriation for the participation of the United States in the international celebration at Fort Niagara, N.Y., was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

DR. CHARLES T. GRANGER

The bill (H.R. 4579) for the relief of Dr. Charles T. Granger was considered, ordered to a third reading, read the third time, and passed.

YAKIMA CONFEDERATED TRIBES OF INDIANS

The bill (H.R. 5864) to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ADJUSTMENT OF SALARIES OF RURAL LETTER CARRIERS

The Senate proceeded to consider the bill (H.R. 8919) to adjust the salaries of rural letter carriers, and for other purposes, which had been reported from the Committee on Post Offices and Post Roads with an amendment, on page 2, line 22, to strike out the numeral "6" and insert the numeral "5", so as to make the bill read:

Be it enacted, etc., That (a) the first paragraph of section 8 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes", approved February 28, 1925, as amended (U.S.C., title 39, sec. 197), is amended to read as follows:

"SEC. 8. The salary of carriers in the Rural Mail Delivery Service for serving a rural route of 30 miles 6 days a week shall be $1,800; on routes less than 30 miles, $60 per mile per annum for each mile or major fraction thereof. Each rural carrier assigned to a route served 6 days in a week shall receive $20 per mile per annum for each mile or major fraction thereof said route is in excess of 30 miles, based on actual mileage, and each rural carrier assigned to a route served 3 days in the week shall receive $10 per mile per annum for each mile or major fraction thereof said route is in excess of 30 miles, based on actual mileage."

(b) The second paragraph of such section 8 (U.S.C., title 39, sec 200) is amended to read as follows:

"Deductions for failure to perform service on a standard rural delivery route for 30 miles and less shall not exceed the rate of pay per mile for service for 30 miles and less; and deductions for failure to perform service on mileage in excess of 30 miles shall not exceed the rate of compensation allowed for such excess mileage."

(c) The third paragraph of such section 8 (relating to equipment-maintenance allowance for rural carriers) (U.S.C., title 39, sec. 206) is amended by striking out "4 cents" and inserting in lieu thereof "5 cents." Such allowance shall not be changed except pursuant to law enacted after the date this act takes effect.

(d) In the case of any carrier in the Rural Mail Delivery Service on the date this act takes effect, who serves 6 days a week a rural route of less than 30 miles, or who serves 3 days a week a rural route of less than 60 miles or two routes of a combined length of less than 60 miles, the annual salary of such carrier shall not be reduced more than $180 by operation of subsection (a) of this section.

SEC. 2. Salaries (not including equipment-maintenance allowances) of rural carriers shall, during that portion of the fiscal year 1934 which remains after the time this act takes effect, and during the fiscal year 1935, be reduced by the percentage of reduction, if any, applicable by law to salaries of employees of the Government generally.

SEC. 3. No consolidation of rural routes shall be made otherwise than on account of the resignation, death, retirement, or dismissal on charges of carriers in the Rural Mail Delivery Service.

SEC. 4. This act shall take effect on the 1st day of the calendar month next following the month in which this act is enacted.

Mr. HEBERT. Mr. President, may I have the attention of the Senator from Tennessee [Mr. MCKELLAR]?

Mr. MCKELLAR. Certainly.

Mr. HEBERT. The Committee on Post Offices and Post Roads has reduced the amount of maintenance allowance from 6 cents to 5 cents. I have looked over the report and find there no suggestion of a reason why that was done. This morning I have received a protest from the New England Association of Rural Letter Carriers saying this change is wholly unsatisfactory to them. It occurred to me the Senator might be prepared to make an explanation which might satisfy them.

Mr. MCKELLAR. Mr. President, as the Senator knows, the purpose of the bill is to increase the standard rural routes from 24 miles to 30 miles. All standard routes are thus increased. If that had been done and nothing else were done, it would have saved the Government about $11,000,000. The rural carriers were willing to have it done provided their maintenance allowance was increased, and testimony was submitted to the committee in that regard.

The bill as it passed the House carried an allowance of 6 cents, but the Senate committee amended it by inserting "5" instead of "6." As a matter of fact, under an Executive order provided for in the Economy Act, the allowance now is 3 cents, and it has been as low as 1 cent. So the Senator from Rhode Island and others may realize that the allowance of 5 cents is a very great move in the right direction for the rural carriers.

There is some difference of opinion among the rural carriers. The organizations here all want the full 6 cents, but the carriers in my part of the country and in other parts of the country, so I am informed, are perfectly willing to accept 5 cents. They are getting 3 cents now as a maintenance allowance and are willing to take 5 cents. In my judgment, looking at it from their standpoint as well as the standpoint of the Government, the 5-cent provision should be approved. The result would be that the 5-cent maintenance allowance would bring to the Government a saving of something like $5,000,000.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Tennessee what would be the total increase in cost to the Government due to the 5-cent allowance?

Mr. MCKELLAR. The law now provides for a 4-cent allowance, but under the Economy Act the President was given authority to reduce it, and it was reduced to 1 cent but more recently has been increased to 3 cents. This amendment would provide a very substantial increase.

Mr. ROBINSON of Arkansas. It would be an increase over the amount authorized by law?

Mr. MCKELLAR. Yes. It is an increase of 1 cent. In my judgment, it is a fair and just arrangement both for the Government and for the employees. It is much better for the employees. I hope the Senator from Rhode Island will not object but will let the bill pass.

Mr. HEBERT. Mr. President, am I to understand that representatives of the rural letter carriers finally favored the 5-cent rate?

Mr. MCKELLAR. No; not their representatives here. As Chairman of the Committee on Post Offices and Post Roads I have received a great many letters, not only from my State, but from other parts of the country, saying the 5-cent allowance for maintenance is preferable to having the bill not passed at all.

Mr. HEBERT. Would the savings to be effected by the provisions of the bill require the dismissal of any employees?

Mr. MCKELLAR. No; quite the contrary. It will probably prevent consolidation, or tend to do that.

Mr. HEBERT. Would it add to the personnel of the rural letter carriers' force?

Mr. McKELLAR. It would not add to the personnel, but it would prevent the dismissal of personnel.

Mr. HEBERT. The Senator mentioned the fact that the rural carriers are now operating under a 3-cent allowance.

Mr. McKELLAR. Yes. That was by Executive order.

Mr. HEBERT. That was under the Economy Act?

Mr. McKELLAR. Yes; that was under the Economy Act. The bill now before us virtually amends the Economy Act so as to make the maintenance allowance 5 cents, whereas formerly, under the law before the economy law was enacted, it was 4 cents.

Mr. HEBERT. In other words, they are now actually receiving 3 cents because of the operation of the Economy Act?

Mr. McKELLAR. That is true.

Mr. HEBERT. Under the bill they would have an increase of 2 cents?

Mr. McKELLAR. That is true.

Mr. HEBERT. It would be an increase from 3 cents to 5 cents and not subject to reduction by operation of the Economy Act?

Mr. McKELLAR. That is true. I think it is a very fair adjustment.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on agreeing to the committee amendment.

Mr. LA FOLLETTE. Mr. President, may we have the amendment stated?

The Chief Clerk again stated the amendment, which was, on page 2, line 22, to strike out "6" and insert "5."

Mr. LA FOLLETTE. I ask for a division.

On a division, the amendment was agreed to.

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

The bill was read the third time and passed.

NATIONAL LABOR BOARD

The bill (S. 2926) to equalize the bargaining power of employers and employees to encourage the amicable settlement of disputes between employers and employees, to create a National Labor Board, and for other purposes, was announced as next in order.

Mr. WALSH. Mr. President, that is a controversial measure. I suppose it should go over.

The PRESIDING OFFICER. The bill will be passed over.

ALBERT LAWRENCE SLINEY

The bill (S. 432) for the relief of Albert Lawrence Sliney was announced as next in order.

Mr. KING. Let that go over.

Mr. ROBINSON of Arkansas. Mr. President, I trust that the Senator will not insist upon this bill's going over. To my mind the record presents a case that is meritorious.

Mr. KING. I shall not object.

The PRESIDING OFFICER. The objection is withdrawn.

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

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Navy Albert Lawrence Sliney shall be held and considered to have been honorably discharged from the United States Navy on the 19th day of June 1922: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

RETIREMENT OF ACTING ASSISTANT SURGEONS

The bill (S. 433) directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That acting assistant surgeons of the United States Navy who, on the date of the passage of this act, have reached the age of 64 years shall be placed on the retired list of the Navy with pay at the rate of three-fourths of their active-duty pay.

WILLIAM H. ROUNCEVILL

The Senate proceeded to consider the bill (S. 2700) for the relief of William H. Rouncevill, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 5, after "Rouncevill", to insert "deceased"; and in line 11, after the word "prior", to insert "or subsequent", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William H. Rouncevill, deceased, who was a member of Company H, Fifth Regiment Connecticut Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 10th day of July 1865: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior or subsequent to the passage of this act.

The amendments were agreed to.

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

The title was amended so as to read: "A bill for the relief of William H. Rouncevill, deceased."

MILES THOMAS BARRETT

The bill (S. 3678) for the relief of Miles Thomas Barrett was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Miles Thomas Barrett, of Bridgeville, Pa., out of any money in the Treasury not otherwise appropriated, for his service in the United States Army as a private in the Corps of Engineers for the period May 7, 1918, to August 19, 1918, both dates inclusive, the sum of $109.85.

INSPECTION OF SEA FOODS

The bill (S. 3655) to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended, was announced as next in order.

Mr. McKELLAR. Let that go over.

Mr. STEPHENS. Mr. President, I hope the Senator will withhold his objection for a moment.

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

Mr. McKELLAR. I withhold the objection.

Mr. STEPHENS. Mr. President, the object of this bill is simply to allow packers or groups of packers to have inspectors sent to their places of business to make inspections of sea foods. I have heard no objection at all to the bill.

Mr. McKELLAR. I withdraw my objection. I was misinformed as to the billl.

Mr. McNARY. Mr. President, is this the bill proposed by the Senator from New York [Mr. COPELAND], known as the "enlargement of the Food and Drugs Act"?

Mr. STEPHENS. No, sir; it has nothing whatever to do with that measure. It simply provides for inspectors.

Mr. McKELLAR. That was the inquiry I just made of the Senator.

Mr. STEPHENS. All that this bill does it to provide for furnishing an inspector if a packer desires to have an inspector sent by the Department; but the expense of the inspector is to be paid by the individual packer. It will cost the Government nothing.

I have an amendment on the desk which changes the bill somewhat. Instead of requiring that 60 percent of those engaged in the industry shall apply for an inspector, the amendment provides that any packer may ask that an inspector be provided. Of course, he is to pay the expense; and the term "packer" would include a group of packers working together. The same inspector would serve them.

I will say that this matter has been discussed with the administrator of the Pure Food and Drugs Act, and there is no objection whatever to the bill on the part of anyone. It simply grants the privilege of inspection to any packer or group of packers who must bear the expense involved.

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

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

The PRESIDING OFFICER. The Senator from Mississippi offers an amendment, which will be stated.

The CHIEF CLERK. On page 1, line 10, it is proposed to strike out "not less than 60 percent of the packers" and insert "any packer."

The amendment was agreed to.

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

Be it enacted, etc., That the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended, is amended by adding after section 10 thereof the following new section:

"SEC. 10A. The Secretary of Agriculture, upon application of any packer of any sea food sold in interstate commerce, may at his discretion designate supervisory inspectors to examine and inspect all premises, equipment, methods, materials, containers, and labels used by such applicants in the production of such food. If the food is found to conform to the requirements of this act, the applicant shall be authorized, in accordance with regulations prescribed by the Secretary of Agriculture, to mark the food so as to indicate such conformity. Services to any applicant under this section shall be rendered only upon payment of fees to be fixed by regulations of the Secretary of Agriculture in such amount as to cover the cost of the supervisory inspection and examination, together with the reasonable costs of administration incurred by the Secretary of Agriculture in carrying out this section. Receipts from such fees shall be covered into the Treasury and shall be available to the Secretary of Agriculture for expenditures incurred in carrying out this section. Any person who forges, counterfeits, simulates, or falsely represents, or without proper authority uses any mark, stamp, tag, label, or other identification devices authorized by the provisions of this section or regulations thereunder, shall be guilty of a misdemeanor, and shall on conviction thereof be subject to imprisonment for not more than 1 year or a fine of not less than $1,000 nor more than $5,000, or both such imprisonment and fine."

Mr. GORE. Mr. President, do I understand that this is a bill with regard to packing houses?

The PRESIDING OFFICER. Without objection, the clerk will state the title of the bill just passed.

The Chief Clerk read the title of the bill.

Mr. GORE. Mr. President, I have an amendment in regard to the processing tax which I desire to offer to some bill, but this is not the bill I had in mind.

EMORY B. BRONTE

The joint resolution (S.J.Res. 117) authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States is authorized to present the Distinguished Flying Cross to Emory B. Bronte, of San Francisco, Calif., in recognition of his heroic courage and great skill as a navigator on the second successful airplane flight from California to the Hawaiian Islands, made under extremely adverse weather conditions in 25 hours 2 minutes, on July 14 and 15, 1927.

CALIFORNIA DÉBRIS COMMISSION

The bill (H.R. 1503) to amend the act entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California", approved March 1, 1893, as amended, was announced as next in order.

Mr. KING. Mr. President, may I have the attention of the Senator from California [Mr. JOHNSON]? My recollection is that we have had a measure of this character upon the books for a long time. I was wondering to what extent this bill modifies existing law, and to what extent, if at all, it enlarges the benefits of the landowners or any claimants for damages against the Government. In other words, what is the purpose of the bill?

Mr. JOHNSON. Mr. President, I am unable to state in detail to the Senator exactly the purpose of the bill, except that it is a bill which was introduced in the House by Representative ENGLEBRIGHT, and was designed to relieve the tension that exists in some directions in relation to the use of lands. I looked into the bill with some care at one time, but the details have escaped my mind at the moment. The Representative assures me that the bill finally had the acceptance and approval of all parties.

Mr. KING. I have no objection.

The Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

MINNIE C. DE BACK

The Senate proceeded to consider the bill (S. 621) conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad, which had been reported from the Committee on Claims with an amendment, on page 1, line 8, after the word "damages", to strike out "including reasonable attorneys' fees and cost of suit", so as to make the bill read:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Northern District of California, southern division, to hear, determine, and render judgment upon the claim of Minnie C. de Back, of San Francisco, Calif., against the Alaska Railroad for general and special damages by reason of personal injuries alleged to have been sustained by her on or about July 3, 1931, while a passenger aboard one of the trains operated by such railroad.

SEC. 2. In the determination of such claim the Alaska Railroad shall be held liable for any tort committed by any of its servants to the same extent as if it were a private person.

SEC. 3. Such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitation. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon shall be in the same manner as in the case of claims over which such court has jurisdiction under the first paragraph of paragraph 20 of section 24 of the Judicial Code, as amended.

The amendment was agreed to.

Mr. KING. Mr. President, I should like to inquire the reason why the venue of this action which is authorized should be changed. As I understand, the accident occurred up in Alaska.

Mr. JOHNSON. That is correct.

Mr. KING. The suit is sought to be transferred from the Territorial courts of Alaska down into California?

Mr. JOHNSON. The Senator is entirely right. The bill attempts to transfer the venue of the action to the Federal court in California, because the injured party will be remediless if she shall be unable to get into a Federal court outside of Alaska. She has been so severely injured that she cannot go back there.

There are some precedents for this action which I could obtain, I think, for the Senator from Utah; but if it be possible, because it is the last opportunity that I have, I should like to have the bill go over to the House and see whether or not it can be passed there.

Mr. KING. I regard the bill as very extraordinary. Of course, it will put the Government to increased expense to have to bring its witnesses from Alaska down to California. It is a dangerous precedent. I should regret to see the bill passed. I shall not object to its consideration, but it seems to me it is setting up a very dangerous precedent.

Mr. ROBINSON of Arkansas. Mr. President, may I ask why the jurisdiction is laid by the bill in the court of California rather than in the Alaskan courts?

Mr. JOHNSON. Because the plaintiff is a resident of California, and she has been so severely injured that it is impossible for her to go to Alaska.

Mr. ROBINSON of Arkansas. The enactment of the bill would not affect the jurisdiction in any other case?

Mr. JOHNSON. Oh, no; the bill is simply to give the plaintiff an opportunity to have her case heard. She is remediless without it.

Mr. ROBINSON of Arkansas. Very well.

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

NATIONAL ARCHIVES

The Senate proceeded to consider the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, which had been reported from the Committee on the Library with an amendment to strike out all after the enacting clause and to insert:

That there is hereby created the Office of Archivist of the United States, the Archivist to be appointed by the President of the United States, by and with the advice and consent of the Senate.

SEC. 2. The salary of the Archivist shall be $8,000 annually. All persons to be employed in the National Archives Establishment shall be appointed by the Archivist solely with reference to their fitness for their particular duties and without regard to

civil service law; and the Archivist shall make rules and regulations for the government of the National Archives; but any official or employee with salary of $5,000 or over shall be appointed by the President by and with the advice and consent of the Senate.

SEC. 3. All archives or records belonging to the Government of the United States (legislative, executive, judicial, and other) shall be under the charge and superintendence of the Archivist to this extent: He shall have full power to inspect personally or by deputy the records of any agency of the United States Government whatsoever and wheresoever located, to secure the full cooperation of any and all persons in charge of such records in such inspections and in the execution of such measures as may be deemed necessary for the better preservation of the material, and to requisition for transfer to the National Archives Establishment such archives or records as the National Archives Commission, hereafter provided, shall approve for such transfer, and he shall have authority to make regulations for the arrangement, custody, use, and withdrawal of material deposited in the National Archives Building.

SEC. 4. The immediate custody and control of the National Archives Building and such other buildings, grounds, and equipment as may from time to time become a part of the National Archives Establishment (except as the same is vested by law in the Director of National Buildings, Parks, and Reservations) and their contents shall be vested in the Archivist of the United States.

SEC. 5. That there is hereby created also a National Historical Publications Commission, which shall make plans, estimates, and recommendations for such historical works and collections of sources as seem appropriate for publication at the public expense, said commission to consist of the Archivist of the United States, who shall be its chairman; the historical adviser of the Department of State; the chief of the historical section of the War Department, General Staff; the superintendent of naval records in the Navy Department; the Chief of the Division of Manuscripts in the Library of Congress; and two members of the American Historical Association appointed by the president thereof from among those persons who are or have been members of the executive council of the said association: *Provided*, That the preparation and publication of annual and special reports on the archives and records of the Government, guides, inventory lists, catalogs, and other instruments facilitating the use of the collections shall have precedence over detailed calendars and textual reproductions. This commission shall meet at least once a year, and the members shall serve without compensation except repayment of expenses actually incurred in attending meetings of the commission.

SEC. 6. That there is hereby further created a National Archives Council composed of the Secretaries of each of the executive departments of the Government (or an alternate from each department to be named by the Secretary thereof), the Chairman of the Senate Committee on the Library, the Chairman of the House Committee on the Library, the Librarian of Congress, the Secretary of the Smithsonian Institution, and the Archivist of the United States. The said council shall define the classes of material which shall be transferred to the National Archives Building and establish regulations governing such transfer; and shall have power to advise the Archivist in respect to regulations governing the disposition and use of the archives and records transferred to his custody.

SEC. 7. That the National Archives shall have an official seal which will be judicially noticed.

SEC. 8. That the Archivist shall make to Congress at the beginning of each regular session, a report for the preceding fiscal year as to the national archives, the said report including a detailed statement of all accessions and of all receipts and expenditures on account of the said establishment. He shall also transmit to Congress the recommendations of the Commission on National Historical Publications, and, on January 1 of each year, with the approval of the council, a list or description of the papers, documents, etc. (among the archives and records of the Government), which appear to have no permanent value or historical interest, and which, with the concurrence of the Government agency concerned, and subject to the approval of Congress, shall be destroyed or otherwise effectively disposed of.

SEC. 9. That there are hereby authorized such appropriations as may be necessary for the maintenance of the National Archives Building and the administration of the collections, the expenses, and work of the Commission on National Historical Publications, the supply of necessary equipment and expenses incidental to the operations aforesaid, including transfer of records to the Archives Building; printing and binding; personal services in the District of Columbia and elsewhere; travel and subsistence and per diem in lieu of subsistence, notwithstanding the provisions of any other acts; stenographic services by contract or otherwise as may be deemed necessary; purchases and exchange of books and maps; purchase, exchange, and operation of motor vehicles; and all absolutely necessary contingent expenses, all to be expended under the direction of the Archivist, who shall annually submit to Congress estimates therefor in the manner prescribed by law.

SEC. 10. All acts or parts of acts relating to the charge and superintendency, custody, preservation, and disposition of official papers and documents of executive departments and other governmental agencies inconsistent with the provisions of this act are hereby repealed.

The amendment was agreed to.

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

The bill was read the third time and passed.

LANDS IN NEW MEXICO

The Senate proceeded to consider the bill (H.R. 5369) providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 1, after the word "lands", to insert "upon payment therefor by such persons to the United States at the rate of $1.25 an acre", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue patents for the public lands determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928 (*New Mexico* v. *Texas*, 276 U.S. 558), to the persons in actual and bona fide possession of and claiming title on April 9, 1928, under patent from the State of Texas to such lands, upon payment therefor by such persons to the United States at the rate of $1.25 an acre.

SEC. 2. In order to receive a patent under this act, the persons entitled thereto, their heirs or assigns, shall within 5 years from the passage of this act, submit a written application describing the land according to their claim of title, and the proof of the facts necessary under this act to entitle the applicant to make entry shall be submitted in accordance with such regulations as the Secretary of the Interior may prescribe, including posting and publication of notice as now prescribed under the homestead laws.

SEC. 3. It is further provided that any land acquired by patent under this act shall be subject to the same liens, other than liens for taxes and water and like quasi-public charges, that would have been against such land had it been in Texas.

SEC. 4. As used in this act the term "person" includes an individual, corporation, partnership, or association.

The amendment was agreed to.

Mr. McNARY. Mr. President, I am wholly unacquainted with this bill. I think the Senator from New Mexico should explain it.

Mr. CUTTING. Mr. President, I think I can explain the bill to the satisfaction of the Senator.

Settlers on both sides of the Rio Grande have been issued patents to lands at various times. It was assumed that the boundary line between the States of New Mexico and Texas was the Rio Grande until the year 1927, when the Supreme Court decided otherwise; so that many settlers who had patents as citizens of Texas find now that they are citizens of New Mexico, and vice versa.

This bill is merely to straighten out that technical difficulty. The bill has been approved by the Department of the Interior, and I am sure there cannot be any objection to it.

Mr. CONNALLY. Mr. President, this is the Chavez bill, is it not?

Mr. CUTTING. Yes.

Mr. CONNALLY. I desire to say that I have some minor amendments that I should offer were it not for the shortage of time, but being fearful that the House may not find time to concur in them I shall not press them.

Mr. CUTTING. I hope the Senator will not offer the amendments at this time.

Mr. CONNALLY. I shall not press them at this time. I think they would improve the measure; but since there might be some hitch, I shall not urge them.

I hope the bill will pass.

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

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

The bill was read the third time and passed.

LANDS IN WILMINGTON, DEL.

The bill (H.R. 7428) providing for the transfer of certain lands from the United States to the city of Wilmington, Del., and from the city of Wilmington, Del., to the United States, was considered, ordered to a third reading, read the third time, and passed.

FEDERAL BUILDING AT EL PASO, TEX.

The bill (S. 1221) to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I will ask the Senator from Texas to explain the reason for this appropriation. Are the Government's activities at El Paso so great as to call for an additional building? It seems to me we are providing too many buildings in all parts of the United States at the expense of the taxpayers.

Mr. CONNALLY. Mr. President, as I recall this bill at the moment, the Federal Government some time ago had made an appropriation for the construction of additional buildings at El Paso, Tex.; but the site of this building was a piece of territory that is in dispute between the United States and Mexico, known as the "Chamizal." Probably Senators are familiar with it. It has been arbitrated. Because of that dispute as to title, the Government did not feel disposed to go on and construct the building on the disputed territory. This bill authorizes the Government to make a contract with private owners of land in order that the Government may utilize it, and not have any trouble with Mexico over the disputed title.

I will say to the Senator that the quarters are badly needed, and it has been recognized for years that they were badly needed. They would long since have been constructed except for this dispute as to the title of the land in this area.

Mr. KING. I have no objection.

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

Be it enacted, etc., That when the owners of lots 11, 12, 13, 14, 15, portions of lots 16 and 17, block 21, Campbell's Addition, El Paso, Tex. (hereinafter called the "owners"), have agreed to erect on such lots a building of such design, plan, and specifications as may be approved by the Secretary of the Treasury as suitable for the use of the Bureau of Immigration, the Bureau of Customs, the United States Public Health Service, and the Bureau of Plant Quarantine, the Secretary of the Treasury is authorized and directed to negotiate, and, subject to an appropriation therefor, lease such building and such lots from the owners for a term of 25 years after such building is ready for occupancy at a fair annual rental, subject to the limitations of section 322 of part II of the Legislative Appropriation Act for the fiscal year ending June 30, 1933, approved June 30, 1932. Such lease shall contain provisions—

(1) Giving the Secretary of the Treasury an option on behalf of the United States to purchase such building and such lots from the owners at any time during the term of the lease at a price which shall not exceed the total cost of construction of the building, plus the sum of $22,500 (the value of such lots), and less an allowance for depreciation of such building of not less than 4 percent per annum of the cost of construction computed from the date of readiness for occupancy up to the time of exercising such option.

(2) For a cancelation of the lease in the event that the lots on which the building is to be constructed are determined, judicially, or by agreement, to be lands subject to the jurisdiction of the United States of Mexico.

SEC. 2. There is authorized to be appropriated such amounts as may be necessary to pay the installments of rent provided for in such lease and, in the event the Secretary of the Treasury exercises the option to buy under such lease, to pay the purchase price of such building.

Mr. CONNALLY subsequently said: Mr. President, a few moments ago the Senate passed Order of Business 1275, being Senate bill 1221. In the meantime, a similar House bill has come over. I ask unanimous consent to reconsider the vote by which the Senate bill was passed and that the House bill be substituted and passed in its stead and then that the Senate bill be indefinitely postponed.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 1731) to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1221 will be indefinitely postponed.

CUSTOMS EXAMINATION BUILDING, TAMPA, FLA.

The Senate proceeded to consider the bill (S. 2724) to provide for a customs examination building at Tampa, Fla.

Mr. KING. Mr. President, is it necessary to have another building in Tampa, Fla., at an expense of $150,000?

Mr. FLETCHER. Mr. President, I may say to the Senator that the facilities at Tampa for customs examinations are wholly inadequate. At the present time the business transacted in the warehouse consists largely of the classification of leaf tobacco by color. Approximately 60,000 packages of leaf tobacco require weighing and examination per annum, and on the commodity the greater part of an annual revenue of $1,664,806 is collected.

We need these facilities greatly. There must be light in order to make the proper examination and classification. The Department says:

This Bureau on March 10, 1934, requested an allotment of Public Works Administration funds for the above purpose, but, in view of the fact that the great number of requests from the said fund now pending makes the granting of at least some of them uncertain, the Bureau is glad to endorse the above-named bill.

Mr. KING. Mr. President, is there not a building there now?

Mr. FLETCHER. There is a small building there now, but the light is partly shut off.

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

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

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to acquire at Tampa, Fla., a suitable site for and erect thereon a suitable building to provide the necessary space and facilities for the examination of customs at Tampa, Fla., the cost of the said building and the site therefor to not exceed the sum of $150,000, which said sum is authorized to be appropriated for said purpose.

BILL INDEFINITELY POSTPONED

The bill (S. 3659) authorizing the Oregon-Washington Bridge board of trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg., was announced as next in order.

Mr. McNARY. Mr. President, recently this bill was adopted as an amendment to another bill by the House of Representatives, and I accepted the House amendment. I ask that the Senate bill be indefinitely postponed.

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

COMMERCE IN PETROLEUM

The bill (S. 3495) to regulate commerce in petroleum, and for other purposes, was announced as next in order.

Mr. LONG. Mr. President, may I ask the Senator from Utah what this bill provides?

Mr. THOMAS of Utah. Mr. President, I think there is so much controversy over this measure at the present time that I suggest it go over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF CRIMINAL CODE

The bill (H.R. 8912) to amend section 35 of the Criminal Code of the United States was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator from Utah should make a brief explanation of this bill, in view of its apparent importance.

Mr. KING. Mr. President, this is a measure which was brought to the attention of the Committee on the Judiciary by the Attorney General. It passed the House of Representatives unanimously, came to the Senate, and was reported from the Committee on the Judiciary unanimously.

It transpires that there is no law which will permit prosecution of persons for destroying Government property, beacon lights, and things of that kind. There is nothing which permits us to make an investigation and prosecute persons who are engaged in the "kick-back" practice. They make false returns, claiming that they paid certain amounts to their employees, when they have not done so. This bill just amends the law so as to give the Federal Government authority to deal with that class of cases.

Mr. ROBINSON of Arkansas. Mr. President, with that explanation, I am heartily in favor of the bill.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments, on page 2, line 5, after the word "whoever", to strike out the words "for the pur-

pose of obtaining or aiding to obtain the payment or approval of such claim, or for the purpose and with the intent of cheating and swindling or defrauding the Government of the United States, or any department thereof, or any corporation in which the United States of America is a stockholder"; on page 2, line 18, after the word "entry", to insert the words "in any matter within the jurisdiction of any department or agency of the United States or of any corporation in which the United States of America is a stockholder"; and on page 3, line 5, after the word "States", to strike out the words "or any branch or department thereof", so as to make the bill read:

Be it enacted, etc., That section 35 of the Criminal Code of the United States, as amended (U.S.C., title 18, secs. 80, 82, 83, 84, 85, and 86), be, and the same is hereby, amended to read as follows:

"SEC. 35. Whoever shall make or cause to be made or present or cause to be presented, for payment or approval, to or by any person or officer in the civil, military, or naval service of the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, any claim upon or against the Government of the United States, or any department or officer thereof, or any corporation in which the United States of America is a stockholder, knowing such claim to be false, fictitious, or fraudulent; or whoever shall knowingly and willfully falsify or conceal or cover up by any trick, scheme, or device a material fact, or make or cause to be made any false or fraudulent statements or representations, or make or use or cause to be made or used any false bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition, knowing the same to contain any fraudulent or fictitious statement or entry, in any matter within the jurisdiction of any department or agency of the United States or of any corporation in which the United States of America is a stockholder; or whoever shall take and carry away or take for his own use, or for the use of another, with intent to steal or purloin, or shall willfully injure or commit any depredation against, any property of the United States, or any branch or department thereof, or any corporation in which the United States of America is a stockholder, or any property which has been or is being made, manufactured, or constructed under contract for the War or Navy Departments of the United States; or whoever shall enter into any agreement, combination, or conspiracy to defraud the Government of the United States, or any department or officer thereof, or any corporation in which the United States of America is a stockholder, by obtaining or aiding to obtain the payment or allowance of any false or fraudulent claim; and whoever, having charge, possession, custody, or control of any money or other public property used or to be used in the military or naval service, with intent to defraud the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, or willfully to conceal such money or other property, shall deliver or cause to be delivered to any person having authority to receive the same any amount of such money or other property less than that for which he received a certificate or took a receipt; or whoever, being authorized to make or deliver any certificate, voucher, receipt, or other paper certifying the receipt of arms, ammunition, provisions, clothing, or other property so used or to be used, shall make or deliver the same to any other person without a full knowledge of the truth of the facts stated therein and with intent to defraud the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, shall be fined not more than $10,000 or imprisoned not more than 10 years, or both. And whoever shall purchase, or receive in pledge, from any person any arms, equipment, ammunition, clothing, military stores, or other property furnished by the United States, under a clothing allowance or otherwise, to any soldier, sailor, officer, cadet, or midshipman in the military or naval service of the United States or of the National Guard or Naval Militia, or to any person accompanying, serving, or retained with the land or naval forces and subject to military or naval law, having knowledge or reason to believe that the property has been taken from the possession of the United States or furnished by the United States under such allowance, shall be fined not more than $500 or imprisoned not more than 2 years, or both."

The amendments were agreed to.

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

The bill was read the third time and passed.

MUNICIPAL PUBLIC WORKS, DOUGLAS CITY, ALASKA

The bill (H.R. 9371) to authorize the incorporated town of Douglas City, Alaska, to undertake certain municipal public works, including construction, reconstruction, enlargement, extension, and improvements of its water-supply system; and construction, reconstruction, enlargement, extension, and improvements to sewers, and for such purposes to issue bonds in any sum not exceeding $40,000, was considered, ordered to a third reading, read the third time, and passed.

MUNICIPAL PUBLIC WORKS, FAIRBANKS, ALASKA

The bill (H.R. 9402) to authorize the incorporated town of Fairbanks, Alaska, to undertake certain municipal public works, including construction, reconstruction, and extension of sidewalks, construction, reconstruction, and extension of sewers, and construction of a combined city hall and fire-department building, and for such purposes to issue bonds in any sum not exceeding $50,000, was considered, ordered to a third reading, read the third time, and passed.

WRITINGS OF GEORGE WASHINGTON

The Senate proceeded to consider the bill (S. 3178) authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington, which had been reported from the Committee on the Library with amendments, on page 3, line 7, after the word "Representative", to insert the words "one each to the libraries of the executive departments and independent establishments located in Washington City, which were not created after March 4, 1933"; on line 14, to strike out "1935" and to insert in lieu thereof "1934"; on line 16, after the words "distributed as", to strike out the words "the Commission" and to insert in lieu thereof the words "Library of Congress", so as to make the bill read:

Be it enacted, etc., That section 1 of the act entitled "An act to enable the George Washington Bicentennial Commission to carry out and give effect to certain approved plans", approved February 21, 1930, is amended by striking out all preceding the last sentence therein and inserting in lieu thereof the following:

"That the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of George Washington established by the joint resolution entitled 'Joint resolution authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington', approved December 2, 1924 (hereinafter referred to as the 'Commission'), is authorized and directed to prepare, as a congressional memorial to George Washington, a definitive edition of all his essential writings, public and private (excluding the diaries), including personal letters from the original manuscripts or first prints, and the general orders, at a cost not to exceed $56,000 for preparation of the manuscript. Such definitive edition shall be printed and bound at the Government Printing Office and shall be in about the same form as the already published diaries of George Washington and shall consist of 25 volumes, more or less. There shall be 3,000 sets of such edition, 2,000 of which shall be sold by the Superintendent of Documents (1) at a cost of $50 per set for sets sold to public libraries, and institutions and societies of learning, and (2) the remainder of the 2,000 sets, at $75 per set. The Commission shall, upon the publication of each volume of the remaining 1,000 sets, distribute copies of each such volume as follows: Two each to the President, the library of the Senate, and the library of the House of Representatives; 25 to the Library of Congress; 1 to each Member of the Cabinet; 1 each to the Vice President and the Speaker of the House of Representatives; 1 to each Senator, Representative in Congress, Delegate and Resident Commissioner; 1 each to the Secretary of the Senate and the Clerk of the House of Represenatives; 1 each to the libraries of the executive departments and independent establishments located in Washington City, which were not created after March 4, 1933; and 1 to each member and officer of the Commission. Every such recipient eligible to receive any volume or volumes of such writings at any time prior to the issue of the final volume (but not later than December 31, 1934) shall be entitled to receive a complete set of such writings. The remaining sets, if any, shall be distributed as the Library of Congress directs, including such number of sets as may be necessary for foreign exchange. The usual number for congressional distribution and for depository libraries shall not be printed."

SEC. 2. Section 1 of such act of February 21, 1930, is further amended by adding at the end thereof the following new paragraph;

"The 1,000 extra copies (heretofore privately printed) of the first volume of such writings shall be considered to have been authorized by the Commission and the Commission may accept a donation of such extra copies for distribution for reviews, advertising, and for such other promotional purposes as it may deem advisable. If the Commisison shall direct the Superintendent of Documents to sell any such extra copies of the first volume, he shall offer the same for sale at a cost per copy equal to the cost per copy of the first volume as computed under clause (2) of the third sentence of this section. Such extra copies shall be the only copies of any volume of the set distributed or sold separately."

The amendments were agreed to.

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

INVESTIGATION OF TEXTBOOK CONCERNS

The resolution (S.Res. 243) appointing a special committee to investigate certain charges against textbook concerns in connection with the obtaining of contracts for the sale of school books, was announced as next in order.

Mr. McNARY. Mr. President, I ask that the resolution go over for the present.

The PRESIDING OFFICER. The resolution will be passed over.

RAKHA SINGH GHERWAL *v.* THE UNITED STATES

The Senate proceeded to consider the bill (S. 821) conferring jurisdiction on the United States District Court of the District of Oregon to hear, determine, and render judgment upon the suit in equity of Rakha Singh Gherwal against the United States.

Mr. KING. Mr. President, I should like to ask the Senator from Oregon the reason for this measure. I do not find a copy of the bill or the report in my file.

Mr. McNARY. Mr. President, there is a question about the citizenship of this man. I will be fair with the Senator and admit that I am not very familiar with the bill. The Senator from Kentucky [Mr. LOGAN], however, is familiar with it.

Mr. KING. I have no objection.

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

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon any suit in equity brought by Rakha Singh Gherwal against the United States for the purpose of setting aside the default decree of such court rendered November 21, 1924, canceling the certificate of naturalization no. 1649806 of such Rakha Singh Gherwal.

SEC. 2. Such suit in equity may be instituted at any time within 6 months after the enactment of this act, notwithstanding the lapse of time or any statute of limitation. Proceedings for the determination of any such suit shall be had, and appeals from any judgment or decree entered therein shall be taken, in the same manner as in the case of suits in equity over which such court has jurisdiction under paragraph (1) of section 24 of the Judicial Code, as amended.

CHRISTOPHER COTT

The bill (H.R. 3054) for the relief of Christopher Cott was considered, ordered to a third reading, read the third time, and passed.

JOHN CARMICHAEL WILLIAMS

The Senate proceeded to consider the bill (S. 2134) for the reinstatement of John Carmichael Williams in the United States Navy, which was read, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized, by and with the advice and consent of the Senate, to restore John Carmichael Williams, late a lieutenant, United States Navy, as an officer in the Navy with the rank and precedence which he held on May 22, 1931: *Provided*, That the said John Carmichael Williams shall establish to the satisfaction of the Secretary of the Navy, by the usual examination for such grade, his physical, mental, moral, and professional fitness to perform the duties thereof: *Provided further*, That the said John Carmichael Williams shall be carried as additional to the number of the grade to which he may be restored or at any time thereafter promoted, and he shall not be entitled to receive pay or allowances for the period during which he was not in the active service.

Mr. KING. Mr. President, I should like to have an explanation of the bill from the Senator from Texas.

Mr. SHEPPARD. Mr. President, the committee, after examining this case very thoroughly, came to the conclusion that it ought to be made an exception to the general rule on account of the outstanding record of this man and his expertness in aviation. The Navy is in special need of aviators at this time. For that reason, the committee thought an exception ought to be made.

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

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

PURCHASE OF SURPLUS COPPER

Mr. ASHURST. Mr. President, when order no. 1249, Senate bill 3182, to provide for the purchase of the surplus copper, lead, and zinc heretofore mined and processed in the United States, was called, there was objection. I ask to recur to that bill.

The PRESIDING OFFICER. Is there objection to recurring to Calendar 1249? The Chair hears none.

Mr. ASHURST. Mr. President, this is a bill which proposes to authorize the purchase of the surplus lead, zinc, and copper in the United States for the use of the Government.

I have caused an investigation to be made as to the amount of surplus lead, zinc, and copper.

The approximate surplus of copper in the United States is now about 450,000 tons.

The approximate surplus of zinc in the United States is 87,782 tons.

The approximate surplus of lead is 223,000 tons.

These figures represent the surplus copper, zinc, and lead now in the various places of storage and en route to refineries.

The present price of copper is 8 cents; therefore the cost of buying the surplus copper would be $72,000,000.

Lead is now selling at 4 cents; therefore the cost of purchasing the lead surplus would be $17,840,000.

The price of zinc is now 4 cents; therefore the cost of purchasing the zinc surplus would be $7,022,560.

These figures make a total of $96,862,560. I therefore ask that the figures "$200,000,000" be stricken from the bill and that the figures "$96,862,560" be substituted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHURST. I respectfully ask for the present consideration of the bill.

Mr. ROBINSON of Arkansas. Mr. President, I cannot consent to the consideration of the bill.

The PRESIDING OFFICER. The Senator from Arkansas objects.

Mr. ASHURST. I ask unanimous consent that a letter from the Navy Department and certain data relative to copper transmitted by the letter be inserted in the RECORD.

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

NAVY DEPARTMENT,
Washington, D.C., June 11, 1934.

The Honorable HENRY F. ASHURST,
United States Senate, Washington, D.C.

MY DEAR SENATOR: In compliance with the telephone request of your office on June 9, there is enclosed herewith a tabulation showing purchases by the Navy Department of copper, lead, and zinc during the years 1930, 1931, 1932, and 1933.

This tabulation does not include the various small, open-market purchases made by field activities to fill immediate special needs. The quantities purchased in this manner are estimated at approximately 10 percent of the figures shown in the enclosure.

Sincerely yours,

E. T. HOOPES,
Assistant to the Paymaster General.

Memorandum for Commander White:

There are listed below quantities of ingot copper, sheet and pig lead, sheet and slab zinc and protector (boiler) zincs purchased through Supplies and Accounts during 1930, 1931, 1932, and 1933:

Material	1930		1931		1932		1933	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	Pounds		*Pounds*		*Pounds*		*Pounds*	
Copper, ingot	3,124,500	$410,125.43	2,881,000	$258,147.80	564,000	$32,936.00	1,534,000	$103,800.50
Lead:								
Pig	281,000	16,404.50	130,000	5,997.00	181,600	9,098.50	241,220	9,856.70
Sheet	206,580	23,429.41	185,780	11,283.46	228,520	11,361.79	271,000	14,826.83
Zinc:								
Sheet	235,650	22,746.17	123,000	11,012.65	98,700	7,228.22	54,650	4,295.21
Slab	631,400	34,328.70	370,000	14,284.00	270,000	9,353.00	345,000	18,065.00
Protector	57,800	5,367.08	65,400	5,556.50	56,000	4,207.16	8,200	544.88

WALTER P. HAGAN—WITHDRAWAL OF PAPERS

Mr. SHEPPARD. Mr. President, I ask permission to withdraw from the files the papers in connection with Senate bill 2093, for the relief of Walter P. Hagan (73d Cong., 2d sess.).

The PRESIDING OFFICER. Without objection, it is so ordered.

PHILIPPINE CURRENCY RESERVES

The bill (S. 3530) relating to Philippine currency reserves on deposit in the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed, when the funds therefor are made available, to establish on the books of the Treasury a credit in favor of the treasury of the Philippine Islands for $23,862,750.78, being an amount equal to the increase in value (resulting from the reduction of the weight of the gold dollar) of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the government of the Philippine Islands for its gold standard fund and its treasury certificate fund less the interest received by it on such balances.

SEC. 2. There is hereby authorized to be appropriated, out of the receipts covered into the Treasury under section 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by the proclamation of the President on January 31, 1934, the amount necessary to establish the credit provided for in section 1 of this act.

ALICE F. MARTIN

The Senate proceeded to consider the bill (S. 2810) for the relief of Alice F. Martin, widow, and two minor children, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, to Alice F. Martin the sum of $1,800, being the gratuity of 6 months' pay for the support of said Alice F. Martin, widow, Elizabeth Ruth Martin, and Catherine Mary Martin, minor children, of the late George F. Martin, captain, Emergency Officers' Reserve Corps, who died at Walter Reed Hospital May 31, 1919.

Mr. KING. Mr. President, I should like to ask the Senator from Texas whether the passage of this bill would change existing law, and whether it would be a precedent that would be effective in the future?

Mr. SHEPPARD. Mr. President, it would not change the existing law.

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

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

JAMES FOY

The bill (S. 1844) for the relief of James Foy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors James Foy, late of the United States Navy, shall hereafter be held and considered to have been discharged under honorable conditions from the naval service of the United States as a member of that organization on the 8th day of May 1922: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

JORDAN NARROWS (UTAH) MILITARY RESERVATION

The bill (S. 3595) to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, being no longer needed for or useful for military purposes, all those portions of sections 5 and 6 of township 4 south, range 2 west, Salt Lake base and meridian, heretofore withdrawn and reserved for military purposes and now included within the Utah State Military Reservation, Jordon Narrows, Utah, are hereby transferred from the War Department to, and placed under the control and jurisdiction of, the Department of the Interior to be administered or disposed of under the laws of the United States relating to the administration and disposition of the public domain.

UNIFORM SYSTEM OF BANKRUPTCY

The Senate proceeded to consider the bill (S. 3580) 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, which had been reported from the Committee on the Judiciary with amendments.

The first amendment of the committee was, on page 6, line 9, to strike out " section' " and to insert " section."

The amendment was agreed to.

Mr. KING. Mr. President, will the Senator from North Dakota explain in what manner this bill amends the existing law?

Mr. FRAZIER. Mr. President, it amends the existing bankruptcy law in such a way as to enable the farmers who apply for bankruptcy, to have an appraiser appointed to appraise their property at the existing fair value, and to repurchase that property at the rate of 1-percent interest and the amortization payment. In other words, it provides for a means by which the farmer may have his indebtedness scaled down and go through bankruptcy, and thus have a chance to repurchase and save his property. The bill provides that if the creditors agree they can lease the property to the farmer at a fair rental, and that there be a moratorium for 6 years to prevent its foreclosure.

Mr. KING. Mr. President, may I ask the Senator from North Dakota wherein it would differ from the position which any private debtor might have in the courts?

Mr. FRAZIER. It simply gives the farmer an opportunity to have an appraiser appointed and appraise his property at the present value, and scale down to that present value. It gives him the privilege of continuing to own his property.

Mr. President, it seems to me something has to be done if our farmers are going to retain the ownership of their homes and farms; something must be done to give them an opportunity to have their indebtedness scaled down, and that a moratorium be given them until they can get on their feet and refinance themselves so they can continue to hold their property.

This morning I received a letter from the county chairman of the Holiday Association of a county in North Dakota stating that a local bank there had foreclosed a second mortgage on a farmer's property, and he asked me to take up the matter with the land-bank authorities. I have taken it up with them. Unless there can be an agreement and that farmer be given an extension of time the Holiday Association will step in and take charge of the property, contrary to law, of course, but one cannot blame them because it means to the farmers the holding of their property and the saving of their farms and homes.

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

Mr. FESS. Mr. President, I do not like to object to a bill of this kind. However, I will say that I do not feel that a sufficient explanation has been made to satisfy me. I understand the bill proposes to permit bankruptcy proceedings, and to enable a debtor to adjust his debt on the payment of 1 percent?

Mr. FRAZIER. It provides that an appraiser be appointed by the court to appraise the property at the fair tax value, and if the farmer wishes to, he can buy back his property at the rate of 1-percent interest on an amortization payment over a period of 3 years, under the terms of this bill.

Mr. COPELAND. Mr. President, I call for the regular order.

Mr. FESS. Suppose the mortgagee should be opposed to the purchase.

Mr. FRAZIER. Under the amendment the mortgagees or creditors have the right, if they can reach an agreement, to allow the farmer to continue on his farm on a fair rental basis, the rents to go to the creditors for a period of 6 years.

The PRESIDING OFFICER. The Senator from New York objects to the present consideration of the bill.

Mr. FRAZIER. Mr. President, I desire to serve notice at this time that I intend to do everything I can to get a vote on this bill at this session. If I can do no better, I will offer it as an amendment to some measure which is pending, if we cannot take it up on its own merits. It has been reported by the Judiciary Committees of both the House and the Senate, and I believe we are entitled to a vote upon it.

The PRESIDING OFFICER. The bill will be passed over.

BEQUEST TO WALTER REED GENERAL HOSPITAL

The resolution (S.J.Res. 128) to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the commanding officer Walter Reed General Hospital be, and is hereby, authorized to accept the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, as contained in her last will and testament and such interest as may have accrued on the funds covered by such bequest, and to receipt therefor on behalf of the United States and to deposit the funds so received in the Treasury of the United States as a special fund dedicated to the purchase of radio equipment or similar means of entertainment for bedridden soldiers or other patients in said hospital, said fund to be subject to disbursement for such purposes upon vouchers submitted by the commanding officer Walter Reed General Hospital under authority of the Secretary of War and to be available until expended.

COHOES HISTORICAL SOCIETY, COHOES, N.Y.

The bill (H.R. 387) donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y., was considered, ordered to a third reading, read the third time, and passed.

TRADING WITH THE ENEMY ACT

The Senate proceeded to consider the bill (S. 852) to amend section 24 of the Trading with the Enemy Act, as amended, which had been reported from the Committee on Finance with an amendment on page 1, line 8, after the word "any", to strike out "internal revenue" and to insert in lieu thereof "income, war-profits, or excess-profits", so as to make the bill read:

Be it enacted, etc., That section 24 (b) of the Trading with the Enemy Act, as amended by the Settlement of War Claims Act of 1928, approved March 10, 1928, is amended by adding at the end thereof the following: "Notwithstanding the expiration of any period of limitation provided by law, credit or refund of any income, war-profits, or excess-profits tax erroneously or illegally assessed or collected may be made or allowed if claim therefor was filed with the Commissioner of Internal Revenue by the Alien Property Custodian on or before February 15, 1933."

The amendment was agreed to.

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

SONS OF THE AMERICAN REVOLUTION

The bill (H.R. 6037) to exempt from taxation certain property of the National Society of the Sons of the American Revolution was considered, ordered to a third reading, read the third time, and passed.

SALE OF MILK AND CREAM IN THE DISTRICT OF COLUMBIA

The bill (H.R. 6130) to prevent misrepresentation and deception in the sale of milk and cream in the District of Columbia was announced as next in order.

Mr. GORE. Mr. President, did the clerk call Calendar No. 1305?

The PRESIDING OFFICER. The clerk called the bill H.R. 6130, Calendar No. 1305.

Mr. KING. Mr. President, I do not find it on the printed calendar.

Mr. GORE. The clerk made a mistake. The next bill on the calendar is Order of Business No. 1306.

The PRESIDING OFFICER. The Chair will state that Order of Business 1305 is not on the printed calendar.

Mr. KING. I think that bill was recommitted to the Committee on the District of Columbia, if it is the bill I have in mind.

The PRESIDING OFFICER. The clerk will state the next bill on the calendar.

NEEDY BLIND PERSONS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H.R. 8517) to provide for needy blind persons of the District of Columbia, which was read as follows:

Be it enacted, etc., That the Board of Public Welfare of the District of Columbia (hereinafter called the "Board") is hereby authorized and directed to enforce the provisions of this act for the purpose of maintaining, supporting, and caring for needy blind persons, residents of the said District of Columbia, citizens of the United States, and not inmates of any institution supported in whole or in part by the Federal or District Governments, and said Board shall have the power, subject to the approval of the Commissioners of the District of Columbia (hereinafter called the "Commissioners"), to make and enforce all proper rules and regulations therefor, and said Board shall create a new subdivision which shall be devoted exclusively to the carrying out of the provisions of this act.

SEC. 2. As used in this act, the term "needy blind person" shall be construed to mean any person who by reason of the loss or impairment of eyesight is of such condition that he cannot be rehabilitated for self-support through the facilities offered by the District rehabilitation service of the Federal Board for Vocational Education, and who is unable to provide himself with the necessities of life and who has not sufficient means of his own to maintain himself and who is otherwise qualified as further set forth in this act.

SEC. 3. In order that any person who shall have become blind while a resident of the District of Columbia may be entitled to aid under the provisions of this act such person must be at least 19 years of age and a resident of the District of Columbia for 1 year next preceding his application for aid hereunder: *Provided*, That in order that any person whose blindness originated while he was not a resident of the District of Columbia may be entitled to aid hereunder, such person must be at least 21 years of age and must have been a bona fide resident of the District of Columbia for a period of 7 years immediately preceding the filing of his application for aid hereunder: *And provided further*, That nothing in this act shall be construed to repeal or render void, so far as blind persons are concerned, any existing statutes which create or define a liability on the part of certain persons to support and provide for poor relatives.

SEC. 4. To receive aid under this act, the applicant shall file his application with the Board, accompanied by an affidavit signed by himself stating his age, sex, places of residence during the period stipulated in the District of Columbia, his financial resources and incomes, the name and address of his next of kin, degree of blindness, how long blind, what employment he has had, his general physical condition, and such other information as the Board may designate.

SEC. 5. No aid shall be granted hereunder until the Board is satisfied from the evidence of at least two reputable citizens of the District of Columbia that they know the applicant has the residential qualifications to entitle him to the aid asked for, and from the evidence of a duly licensed and practicing physician whose duty it shall be to describe the condition of the applicant's eyes and to testify to his blindness, which evidence shall be in writing subscribed to by such witnesses, subject to the right of cross-examination by either the Board or the Commissioners; and if the Board is satisfied by such testimony that the applicant is entitled to aid hereunder, it shall, without delay, allow such sum as it finds needed: *Provided*, That the Board shall transmit to the Commissioners a record of their actions in granting or refusing to grant aid to each blind applicant, and any blind applicant who is dissatisfied with the finding of the Board regarding his application for aid, may appeal to the Commissioners who shall now consider the application and if two of the Commissioners shall find that the applicant is entitled to aid under the provisions of this act, they shall then and there award such aid as they deem proper.

SEC. 6. The Board shall investigate semiannually, or oftener, the qualifications of blind persons who receive aid hereunder, and may increase or decrease the allowance within the limits prescribed by the act; or if said Board is satisfied that any person on the list is not entitled to aid hereunder, they shall strike off and entirely remove him from said list, and shall forthwith notify the Commissioners of such action: *Provided, however*, That the person heretofore receiving aid may take an appeal to the Commissioners from such action as if it were an original application for aid: *And provided further*, That such an appeal must be filed within 30 days from the notification by the Board to the beneficiary hereunder of the intended reduction or discontinuation of aid, and no reduction or discontinuance of aid shall be operative until after rendition of the findings of the Commissioners on said appeal.

SEC. 7. No person shall be eligible to receive aid under the provisions of this act who, after receiving said aid, publicly solicits alms in any manner, either by wearing, carrying, or exhibiting signs denoting blindness for the securing of alms, or by any signs calling attention to blindness exhibited on wares and merchandise, or the carrying of receptacles for the purpose of securing alms, or the doing of the same by proxy, or by stationary or house-to-house begging, or any other means of publicly securing aid.

SEC. 8. Any person qualifying for and receiving aid hereunder who removes himself from the jurisdiction of the District of Columbia and thereby ceases to be a resident shall no longer be entitled to the benefits and aid under the provisions of this act, but temporary absence for a reasonable length of time shall not work a forfeiture hereunder when such prolonged absence is caused through illness.

SEC. 9. The benefits hereof shall not be granted to any person between the ages of 16 and 55 years who, having no occupation and being both physically and mentally capable of some useful occupation, or of receiving vocational or other training, refuses for any reason to engage in such useful occupation, or refuses to avail himself of such vocational or other training, or unless for good cause shown signifies his willingness and readiness to enter upon a course of such vocational or other training within a reasonable time: *Provided*, That no person shall be entitled to the benefits of this act who shall refuse to submit to any treatment

or operation to effect a cure when such treatment or operation is recommended by an examining oculist and approved by the Board.

SEC. 10. No person shall be eligible to the benefits of this act who shall hereafter either intentionally deprive himself of his eyesight or assist in the destruction thereof by others; or hereafter shall lose his eyesight during the perpetration of a criminal offense; or shall hereafter lose his eyesight by reason of vicious habits; or through hereafter indulging in so-called "alcoholic beverages": *Provided*, That no payment of any money shall be made under this act for the care or relief of any blind person who has for 5 years preceding his blindness or loss of sight been dependent upon public relief unless such dependency shall have been caused through physical or mental incapacity.

SEC. 11. Whenever it appears after the death of any unmarried person who has received aid under this act that his estate, after deducting the exemptions allowed by law, has property over and above a sufficient amount to pay the expenses of his last illness and burial, such property shall be charged with the amount paid to such person during his lifetime; and claim may be filed against his estate for the recovery of the said amount, and an action may be brought in the name of the District of Columbia by the corporation counsel to recover the same, and the statute of limitations shall not be computed until after the death of the person receiving aid as above provided.

SEC. 12. Any person who attempts to obtain, or obtains, by false representation, fraud, or deceit, any allowance under this act, or who receives any allowance knowing it to have been fraudulently obtained, or who aids or assists any person in obtaining or attempting to obtain an allowance by fraud, shall be punished by a fine of not more than $500 or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

SEC. 13. In order to carry out the provisions of this act there is authorized to be appropriated for the fiscal year ending June 30, 1934, the sum of $75,000, payable from the revenues of the District of Columbia, and for the fiscal year ending June 30, 1935, and annually thereafter, the Commissioners shall include in the estimate of appropriations for said District of Columbia, such an amount as may be necessary for this purpose; and the Commissioners, upon nomination by the Board, shall appoint a supervisor and such additional personnel as may be necessary to administer this act, at such salaries as may be fixed for similar services by the provisions of the Classification Act of 1923; and such employees may be removed by the Commissioners upon recommendation of the Board: *Provided*, That whenever necessary said Board shall appoint an acceptable member of the personnel to stand in loco parentis to any minor qualifying for aid hereunder.

SEC. 14. The provisions of this act are to be liberally construed to effect its objects and purposes, and if any section, subsection, or subdivision of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of such remaining portions of this act.

Mr. GORE. Mr. President, I do not favor legislation of this kind, but I do not intend to interpose an objection. I do wish, however, to submit an amendment. I feel I ought to say that I object to legislation of this sort as a matter of principle. I do not believe in civilian pensions to any class. I have not yet been convinced of the wisdom or of the justice of such a policy. I think whenever we start that policy we can never stop it, and I fear that the day we start it will be doomsday for the taxpayer. I desire to add at this time that the only pensions which I have been able to bring myself to favor are those limited to soldiers who were actually injured in the military service of the country. Pensions to such disabled soldiers and to their dependents I favor. I will go as far and I will go as fast as anyone to pension those who were actually injured in the military service of the country.

I think the dependents of any man whose earning capacity was impaired as the result of his military service are entitled to a pension. I do not really regard that, however, as a gift or a gratuity. I regard it as the payment of a debt.

I do not intend to object to the passage of this bill. I do desire to submit an amendment or two, and I will say in this connection that if any civilian class could be considered as entitled to a pension it would be the blind, of course. There are two amendments which I have sent to the desk. I ask to have them read.

The PRESIDING OFFICER. The clerk will state the first amendment offered by the Senator from Oklahoma.

The CHIEF CLERK. On page 4, line 3, after the word "needed", it is proposed to insert:

Provided, That the provisions of this act shall not apply to both husband and wife: *And provided further*, That in the case of a dependent child living with its parents or parent, such compensation shall not exceed $30 per month.

The amendment was agreed to.

The next amendment offered by Mr. GORE was, on page 8, line 12, after the word "act", to add the following:

Provided further, That this act shall expire on June 30, 1937.

Mr. GORE. The measure, if it works well, can be extended.

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

The amendment was agreed to.

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

The bill was read the third time and passed.

AMENDMENTS OF DISTRICT OF COLUMBIA ALCOHOL CONTROL ACT

The bill (H.R. 9007) to amend section 11 of the District of Columbia Alcoholic Beverage Control Act was considered, ordered to a third reading, read the third time, and passed.

The bill (H.R. 9622) to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF REVENUE ACT OF 1932

The bill (H.R. 9234) to amend section 601 (c) (2) of the Revenue Act of 1932 was announced as next in order.

Mr. COPELAND. Mr. President, I think I have an amendment to this bill on the table. May I ask the Senator from Wisconsin [Mr. LA FOLLETTE] if he is familiar with that amendment?

Mr. LA FOLLETTE. Mr. President, I am not familiar with the amendment which the Senator intended to offer, although it gave me a great deal of apprehension, I will say to the Senator from New York, not that I have any objection to his intention to offer an amendment, but because we have reached the stage in the proceedings of the Congress where I am very apprehensive that if the Senator's amendment should be attached to this bill it might prevent action upon it at this session. The amendment of the Senator from New York has nothing to do with the subject matter of the pending bill. All this bill, which was reported from the Finance Committee, seeks to do is to provide that the present exemption, so far as sales of malt sirup from the manufacturer directly to the baker are concerned shall also be exempted where such sales are made through an intermediary, either a jobber or a wholesaler.

Mr. COPELAND. If the Senator will permit me, I realize that at this stage of the legislative proceedings it would be embarrassing to add an amendment; and if I may have the assurance of the Senator from Wisconsin that in case we shall both be here next January he will help me to get my bill through, I shall be glad to withdraw my amendment.

Mr. LA FOLLETTE. Mr. President, I am fundamentally opposed to logrolling, but the Senator from New York knows how highly I regard him. I feel certain that any measure which he sponsors ought to receive the consideration of this body; and if I shall be here next session, and if he shall be here, I shall be glad to give his measure most sympathetic consideration.

I also wish to say to the Senator from New York that I appreciate his generosity in permitting this measure to pass without amendment.

Mr. COPELAND. If we both shall be here in January, I shall again thank the Senator.

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

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

PROTECTION OF SEA LIONS

The bill (H.R. 8639) to repeal certain laws providing for the protection of sea lions in Alaska waters was announced as next in order.

Mr. AUSTIN rose.

Mr. DILL. Mr. President, the Senator from Connecticut [Mr. WALCOTT] had an objection to this bill. I do not know whether the Senator from Vermont is going to object also on the same ground.

Mr. AUSTIN. The Senator rose to object at the request of the Senator from New Jersey [Mr. BARBOUR], who is necessarily absent.

Mr. DILL. The objection to this bill has been based upon the fact that there was a desire to prevent the sea lions' being destroyed as a species. I did not know that anyone except the Senator from Connecticut was objecting, and I was agreeable to an amendment that would provide that sea lions may be killed only under regulations prescribed by the Secretary of Commerce, those regulations to be designed to prevent their extinction.

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

Mr. DILL. Yes.

Mr. COPELAND. Mr. President, I feel that I must interpose an objection because of the attitude of the American Society of Mammalogists.

Mr. TYDINGS. Mr. President, will the Senator from New York withhold his objection for a moment so that I may make a brief statement?

Mr. COPELAND. Certainly.

Mr. DILL. Mr. President, I should like to say a word further about this situation. The sea lions cannot now be killed for sale. The Bureau of Fisheries has ascertained that they are very destructive to salmon; and the Bureau itself kills large numbers of them at the expense of the Government.

It seems a waste of money that the Government should have to pay for the killing of sea lions when they could be killed by those who would like to use the skins and sell them. If this bill shall be amended so that the sea lions may be killed only under regulation prescribed by the Bureau of Fisheries, it would seem to me to meet the objection of those who do not want the sea lion made extinct and it would also meet the views of those who feel that the sea lion is so destructive of fish and of the young fur-bearing seal that they ought to be greatly reduced in numbers.

Mr. TYDINGS. Mr. President, I should like to say to the Senator from New York that one sea lion sometimes weighs several tons, and from observation, it is said that quite often it eats its weight in fish during the fishing season. Because they are so destructive, the Canadian Government and the British Government have attempted to kill them so as to preserve the fish. The sea lions have no value whatsoever for food; they have no value for their skins; and, so far as we are able to learn, they are very destructive to the valuable fish and seals. All the departments of the Government to which this measure has been submitted favor its passage as a matter of protecting game, not of destroying game.

Mr. AUSTIN. Mr. President, what the learned Senators have said appeals to me very strongly, but I have not objected on my own account; I have objected on account of the Senator from New Jersey, who I expect will return to the Chamber before we finish with the calendar. Therefore I ask the courtesy of having the bill go over until his return, and, then, perhaps it may be recurred to.

The PRESIDING OFFICER. The bill will be passed over.

Mr. COPELAND. Mr. President, I ask permission to insert in the RECORD the communication to which I have referred from the American Society of Mammalogists in regard to sea lions.

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

Resolution concerning the protection of sea lions

Whereas a bill removing protection from the sea lions of Alaska is now before Congress, and

Whereas there is no conclusive evidence that any such step is economically justifiable or advisable, and

Whereas these mammals congregate in large rookeries where those hostile to them may destroy immense numbers, thereby threatening their extermination before decimation can be generally known: Therefore be it

Resolved, That the American Society of Mammalogists, an organization devoted to the study of mammals and their relations to man, earnestly protest against the passage of this bill.

Resolution passed Thursday, May 10, 1934, Sixteenth Annual Meeting of American Society of Mammalogists held at New York, N.Y.

SURVEY OF SHIP CANAL, PRINCE OF WALES ISLAND, ALASKA

The joint resolution (S.J.Res. 119) authorizing a preliminary examination or survey of a ship canal across Prince of Wales Island, Alaska, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of War is hereby authorized and directed to cause an examination or survey to be made with a view to constructing a ship canal across Prince of Wales Island, Alaska, from the head of Hetta Inlet on the west coast to the head of Cholmondeley Sound on the east coast, a distance of approximately 2 miles, the cost thereof to be paid from funds heretofore appropriated or available for examination, surveys, and contingencies of rivers and harbors.

THREE HUNDREDTH ANNIVERSARY OF FOUNDING OF CONNECTICUT

The bill (H.R. 8833) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Colony of Connecticut was considered, ordered to a third reading, read the third time, and passed.

FELIX GRIEGO

The Senate proceeded to consider the bill (S. 3627) for the relief of Felix Griego, which had been reported from the Committee on Military Affairs with an amendment, on line 9, after the word "*Provided*", to strike out "That no bounty, pension, pay, or other emoluments shall accrue prior to the 11th day of April 1919", and to insert "That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers or their dependents, Felix Griego, who was a private in the Medical Department, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of the Medical Department on the 11th day of April 1919: *Provided*, That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

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

SGT. ALVIN C. YORK

The bill (S. 2452) authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list, was announced as next in order.

Mr. KING. Mr. President, I should like to inquire whether it is common for measures of this character to be passed giving major generalships to men who formerly served in the Army?

Mr. McKELLAR. The bill does not propose to make Sergeant York a major general but only a major; that is all. No; it is not common to pass a measure of this kind. On the contrary, it is quite uncommon; but Sergeant York performed an uncommon feat of heroism and he should be given this small measure of acknowledgment of a Nation which has always been proud of and has honored its heroes.

Mr. KING. As I caught the reading, I thought it was major general. I have no objection to the bill.

Mr. McKELLAR. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

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

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint Sgt. Alvin C. York, late of Company G, Three Hundred and Twenty-eighth Infantry, United States Army, an officer with the rank of major in the United States Army and then to place him on the retired list in that grade.

Mr. McKELLAR. Mr. President, I ask that the report of the committee on the bill just passed be printed in the RECORD at this point.

There being no objection, the report (No. 1231) was ordered to be printed in the RECORD, as follows:

[S.Rept. No. 1231, 73d Cong., 2d sess.]

ALVIN C. YORK

Mr. BACHMAN, from the Committee on Military Affairs, submitted the following report (to accompany S. 2452):

The Committee on Military Affairs, to which was referred the bill (S. 2452) authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list, having considered the same reports favorably thereon with the recommendation that it do pass.

The purpose of S. 2452 is to recognize the outstanding and most distinguished service of Sergeant York during the World War. The Adjutant General, in giving the record of Sergeant York's military service, pointed out as follows in a report rendered in 1923:

"The records of this Office show that Alvin C. York, S.N. 1910421, was inducted into the military service November 14, 1917, by the local board for Jamestown, Tenn.; was assigned to the Twelfth Company, One Hundred and Fifty-seventh Depot Brigade, Camp Gordon, Ga., November 16, 1917; was transferred to the Three Hundred and Twenty-eighth Infantry at that place and assigned to Company G, February 9, 1918. He sailed for overseas service May 1, 1918; was promoted to private, first class, July 8, 1918; participated in the following engagements: Lucey sector (Lorraine), June 26–August 9, 1918; Marbache sector (Lorraine), August 17–September 11, 1918; St. Mihiel offensive, September 12–16, 1918; Marbache sector (Lorraine), September 17–18, 1918; and Meuse-Argonne offensive, October 2–November 2, 1918. He was promoted to sergeant November 1, 1918; returned to the United States May 22, 1919; and was honorably discharged May 29, 1919, at Fort Oglethorpe, Ga., with character excellent.

"He was awarded the following decorations:

"Congressional Medal of Honor, with the following citation: 'For conspicuous gallantry and intrepidity above and beyond the call of duty in action with the enemy near Chatel Chehery, France, October 8, 1918. After his platoon had suffered heavy casualties and three other noncommissioned officers had become casualties, Corporal York assumed command. Fearlessly leading seven men, he charged, with great daring, a machine-gun nest which was pouring deadly and incessant fire upon his platoon. In this heroic feat the machine-gun nest was taken, together with 4 officers and 128 men and several guns.'"

French Medaille Militaire, by Presidential decree of May 5, 1919, and French Croix de Guerre with palm, under Order No. 16046 D, dated April 13, 1919, general headquarters, French Armies of the East, with the following citation: "All the noncommissioned officers of his platoon having been disabled, he took command of it, and with seven men succeeded in silencing a nest of enemy machine guns, capturing several machine guns and 132 prisoners, including 4 officers."

Italian Croce di Guerra (no specific citation of record).

Montenegrin Medaille pour la Bravoure Militaire (no specific citation).

Official statement furnished Hon. KENNETH MCKELLAR, United States Senate, December 12, 1923.

By the authority of the Secretary of War.

ROBERT C. DAVIS,
The Adjutant General.

The following is part of favorable report made by the Senate Committee on Military Affairs on a previous similar bill, and it is made a part of this record:

"Alvin C. York was born at Pall Mall, Tenn., on December 13, 1887, and is one of 11 children. He has living 7 brothers and 2 small sisters. The family have lived in the mountains of Tennessee for generations. York's father was a blacksmith, and had a small farm on which he raised wheat and oats and other grain. In November 1911, his father, William York, died and left him provider of and protector of his mother, 1 brother, and 2 small sisters. The other brothers had married or moved away. For a long time he took care of them, running the smithy which his father had left and the farm on which the family lived. In 1915, he joined the Church of Christ and Christian Union. None but a man of deep convictions could attain to their teachings. You cannot meet York without profound respect for his sincere and rugged strength. His church is against fighting in any form. So, when the draft came along and reached out for York, he was in a difficult dilemma. He was not only a member of the church but was second elder and often led in the service. His congregation wanted him to ask for exemption as a conscientious objector. His pastor, R. C. Pile, urged it. His mother, faced with the prospect of losing the head of the household at a time when her health was not robust, also urged it, but York refused. He belonged to the Church of Christ and Christian Union and subscribed to its doctrines, but he was not going to back out on his country when it was drawn into war. Patriotism is very strong in Tennessee. After he got into the Army his conscientious scruples about killing his fellow man gave him great trouble. He was sent to Camp Gordon, Ga., and while learning how to be a soldier frequently talked to Captain Danforth, his captain, about the matter. They discussed every phase of the situation from a Biblical standpoint, and York became convinced that it was his duty to fight and if necessary to kill. The following is quoted from an article by George Pattullo in the Saturday Evening Post of April 26, 1919, which graphically describes his killing of 25 Germans and capture of 132 men:

"'The Eighty-second Division was originally a southern division—nearly all its officers hail from the South. But various shifts and changes resulted in every State of the Union being represented in the Eighty-second in considerable numbers. For instance, one regiment can boast that 35 training camps have contributed men to its ranks. Therefore, the Eighty-second wears AA on its insignia—All America; and they are almost as proud of it as the veteran First Division is of the red numeral on the left shoulder. The men of the First think that means more than a Croix de Guerre; and I am inclined to agree with them.

"'York was soon promoted to corporal in Company G, Three Hundred and Twenty-eighth Infantry, Eighty-second Division. And he was with his company when the Second Battalion of the Three Hundred and Twenty-eighth jumped off from Hill 223, just north of Chatel Chehery, at 6 o'clock on the morning of the 8th of October. Their objective was the Decauville Railroad, 2 kilometers due west; and, by the way, they got it. They got it despite the sheer ridges they had to climb under artillery and machine-gun fire; and the Boches were obliged to pull out of a sector of the Argonne Forest, their communications having been cut.

"'The battalion had to cross a valley several hundred yards in width. On the left rose a considerable hill from which the Boches sprayed them with machine-gun fire; straight ahead toward the elevation known as "167", a steep high ridge from which came a withering fire; Cornay Ridge, on their right, sounded like a thousand steel hammers at work. In other words, the Americans were caught by fire from three directions.

"'York was on the extreme left of the advance, his platoon being the support platoon of the left assault company.

"'"We are losing a lot of men," he said. "See that little rise just where the slope of the hill comes down? Well, it looked like we couldn't get beyond that. The line just seemed to melt away when it reached there."

"'UNDER CROSS FIRE

"'This was due to the fact that Boche machine guns on the hill—now known as "York's Hill"—had the Americans enfiladed. Therefore Sgt. Harry M. Parsons, formerly an actor, who was in command of the platoon, was ordered to advance with his men and cover the left flank. The fire was too hot in the valley, so they skirted the foot of the hill in order to gain some protection.

"'Parsons ordered Acting Sgt. Bernard Early to take two squads and put the enemy machine guns out of action. That was when the real business began.

"'Early had under him 16 men—Corporal York, Corp. William B. Cutting, Corp. Murray Savage, Pvts. Maryan E. Dymowski, Ralph E. Weiler, Fred Wareing, William Wine, Carl Swanson, Mario, Muzzi, Percy Beardsley, Joe Konotski, Feodor Sak, Thomas G. Johnson, Michael A. Sacine, Patrick Donahue, and George W. Wills. Of these, Corporal Savage and Privates Dymowski, Weiler, Wareing, Wine, and Swanson were killed early in the fight, practically by the first blasts from the machine-gun emplacements. Sergeant Early, Corporal Cutting, and Private Muzzi were wounded at the same time, the first named being shot three times through the body. They left Corporal York and seven privates to turn the trick.

"'It was a clear day. There had been mists in the valley and shrouding the hills just after dawn, but they had lifted, so that the movements of the Americans were perfectly visible to the enemy along the ridges. As the little party started up the hill which they proposed to clear of Boches, machine guns peppered them from the Cornay Ridge at their backs; but the trees and brush were very thick and they escaped beyond observation without losing a man. The nests they were after lay on the other side of a slope; the Boches were firing at the infantry in the valley, and were wholly unconscious of the detachment bent on circling round behind them.

"'The Americans went stumbling upward through the leafy jungle, bullets whipping the branches above and round them. None were hit, however, and soon they gained above the fire. It was a stiff climb. I went up that hill later without a pack and free from anxiety, and found it hard going. What must it have been with full equipment, machine guns blazing at them, and the enemy ahead in unknown strength.

"'About two-thirds of the way up they came upon an old wide trench, probably built by the French early in the war. They entered this and followed it. The clamor of the fight on the other side of the hill now grew less.

"'The trench led over the crest. Going warily in single file, now stopping to listen and make sure that no enemy lurked near, now moving with painful caution lest they be heard, the detachment penetrated upward through the dense woods and began to descend the other slope. Sergeant Early was in the lead. Until wounded he directed all the operations; his behavior throughout the entire affair was of the highest order.

"'A SHRIEKING BEDLAM

"'Still they saw no Germans. They could hear firing off at their right; they could hear it ahead; but not a sign of the enemy did they see. Finally they debouched upon a path, and there in the wet earth were fresh footprints.

"'They crossed the path and continued the descent, veering to the left to make sure they should get behind the enemy. A few minutes, and they entered another path—well worn, full of new footprints.

"'"Which way had we better take?" whispered Sergeant Early to Corporal York.

"'"Let's right oblique", answered the mountaineer, and they right-obliqued and went downward along the path.

"'It dipped steeply to a cuplike valley amid the hills. A puny stream flowed through this valley; everywhere were trees and bushes and tangles of undergrowth.

"'Suddenly they espied two Germans ahead of them in the path. Both wore the Red Cross brassard, and both started to run at the first glimpse of the Americans. Some shots were fired, and one stopped. He surrendered; the other disappeared.

"'"It looked like a battle was coming," said York, "so we went into skirmish order."

"'They scattered out amid the riot of brush and pushed forward. Presently the leaders of the party arrived at the stream, and there on the other side were about 20 or 30 Germans, gathered near a small hut that was evidently some kind of P.C. At any rate, several officers were holding a conference and a number of the men were squatted on the ground apparently about to eat.

"'The Americans instantly let fly. A few of the enemy returned the shots, but the majority dropped guns and equipment and threw up their hands, shouting "Kamerad."

"'What had happened? How came the enemy behind them?

"'"Don't shoot", ordered Sergeant Early. "They're going to surrender."

"'Surrender they did, the whole outfit, including the major in command of the battalion.

"'"What are you, English?" he asked.

"'"Americans", answered York.

"'"Good Lord!" said the major.

"'Early's detachment now made preparations to take them out. But before they could move all hell broke loose. Along the steep slope of the hill facing them, not 30 yards away, was machine gun after machine gun, snugly placed in fox holes, but pointing in the other direction. The Boches manning them swung these guns around and opened up a fusillade on the attackers. The valley became a chattering, shrieking bedlam. Some Heinies on a hill far to the rear of the Americans sensed a new menace and opened up wildly against their own position, but their fire was many yards high and merely seared the tops of the trees.

"'At the first blast of fire every Heinie prisoner dropped flat on his stomach and hugged the ground. The Americans followed their example. Some took refuge behind trees, others burrowed amid the underbrush; but six were killed. Sergeant Early was shot through the body; Corporal Cutting had three bullets through the left arm; Private Muzzi had a wound in the shoulder; Private Beardsley, who had an automatic and was crouched down near Corporal York when the trouble started, crept back to a big tree for protection. On one side of him lay Private Dymowski and on the other was Private Wareing. Both were riddled with bullets—shot all to pieces. Beardsley told me afterward that he considered the situation hopeless and could not operate his gun.

"'Nine hundred and ninety-nine thousand nine hundred and ninety-nine men out of a million would have considered the situation hopeless. The millionth man was Corp. Alvin C. York. The second elder was down on his haunches amid the brush picking off the Boches as fast as he could shoot. From this moment the battle became all York's.

"'Six of the detachment were killed almost immediately after the machine guns opened up; three were wounded, including the sergeant in command. York and seven privates remained.

"'Of these, Private Beardsley could do nothing from his position while the enemy fire kept up, for it raked both sides of his tree from close to the ground to a height of 4 feet.

"'Pvt. Michael A. Sacina says in his statement: "I was guarding the prisoners with my rifle and bayonet on the right flank of the group of prisoners, so close to them that the machine gunners could not shoot at me without hitting their own men. This saved me. During the fighting I remained on guard, watching these prisoners and unable to turn around and fire myself, for this reason. From where I stood I could not see any of the other men in my detachment."

"'And Private Donahue, a game little Irishman: "During all this shooting I was guarding the mass of Germans taken prisoners and devoted my attention to watching them. When we first came in on the Germans I fired a shot at them before they surrendered. Afterward I was busy guarding the prisoners and did not shoot. From where I stood I could see only Privates Wills, Sacina, and Sak. They were also guarding prisoners."

"'NEVER A THOUGHT OF DEATH

"'Pvt. George W. Wills: "When the heavy firing from machine guns commenced I was guarding some of the German prisoners. During this time I saw only Privates Donahue, Sacina, Beardsley, and Muzzi. Private Swanson was right near me when he was shot. I closed up very close to the Germans with my bayonet on my rifle and prevented some of them who tried to leave the bunch and get into the bushes from leaving. I knew that my only chance was to keep them together and also to keep them between me and the Germans who were shooting. I heard Corporal York several times shouting to the machine gunners on the hill to come down and surrender, but from where I stood I could not see Corporal York. I saw him, however, when the firing stopped and he told us to get along the sides of the column."

"'My purpose in quoting the statements of these men is to show by elimination what York did in order to convince the skeptical. Every man except the second elder is now accounted for; we know from their own lips what the survivors of the first blasts did in the fight that ensued. But somebody killed more than 20 Boches on the slopes of that hill and put 35 machine guns out of action. Who was it?

"'Capt. B. Cox, of Atlanta, Ga., who later came over the hill frontally with his platoon, told me that he counted a dozen dead Boches lying along a path and saw the arms and legs of 8 or 10 more sticking out from behind bushes. His estimate placed the dead at 25. I am putting the number at 20 to be conservative and because the slaughter was the least part of the exploit. What counts is the fact that the second elder of a church opposed to fighting should have given battle to an entire machine-gun battalion—and got away with it.

"'He never thought of surrender. His problem was to make the enemy give up as quickly as possible, and he kept yelling to them to "Come down!"

"'Bang! Bang! "Come down!" York would shout, precisely as though the surrender of a battalion to an individual soldier were the usual thing—and I really believe he regards it that way, provided the soldier be an American.

"'"Somehow I knew I wouldn't be killed", he said. "I've never thought I would be—never once from the time we started over here."

"'At the first crack of the machine guns on the slope opposite him York dropped to earth. He was in a narrow path leading to the emplacements. Directly in front lay the Boche prisoners, groveling in fear of their comrades' fire. The machine guns were less than 30 yards away and were blazing straight down. Their stream of fire mowed off the tops of the bushes as though they had been cut with a scythe.

"'And then the second elder got going on his own account. Sighting as carefully as he was wont to do in the turkey matches at home in Tennessee, he began potting the Boches in their fox holes and the Boches who were hiding behind trees and the Boches who were firing at him from the shelter of logs. And with every shot he brought down an enemy. No; I am wrong. He showed me a crease on a tree bole later and confessed his belief that he had missed that one.

"'"You never heard such a clatter and racket in all your life", he said. "I couldn't see any of our boys. Early and Cutting had run along toward the left in front of me just before the battle started, but I didn't know where they were."

"'SHOT THE WHOLE BUNCH

"'"If I'd moved, I'd have been killed in a second. The Germans were what saved me. I kept up close to them, and so the fellers on the hill had to fire a little high for fear of hitting their own men. The bullets were cracking just over my head, and a lot of twigs fell down.

"'"Well, I fired a couple of clips or so—things were moving pretty lively, so I don't know how many I did shoot—and first thing I knew a Boche got up and flung a little bomb at me about the size of a silver dollar. It missed and wounded one of the prisoners on the ground, and I got the Boche—got him square.

"'"Next thing that happened a lieutenant rose up from near one of them machine guns, and he had seven men with him. The whole bunch came charging down the hill at me, like this. They held their guns like this [indicating].

"'"I had my automatic out by then and let them have it. Got the lieutenant right through the stomach, and he dropped and screamed a lot. All the Boches who were hit squealed just like pigs. Then I shot the others."

"'"You killed the whole bunch?"

"'"Yes, sir; at that distance I couldn't miss." He killed this detachment before they could charge 20 yards downhill—eight men.

"'"As soon as the Germans saw the lieutenant drop most of them quit firing their machine guns and the battle quieted down. I kept on shooting, but in a minute here come the major who had surrendered with the first bunch. I reckon he had done some shooting at us himself, because I heard firing from the prisoners and afterward I found out that his pistol was empty.

"'"He put his hand on my shoulder like this and said to me in English: "Don't shoot any more, and I'll make them surrender." So I said, "All right", and he did so, and they did so.'

"As York himself would phrase it, the battle now quieted down and the Boches descended from their positions on the hill. They came in droves; their arrival swelled the number of prisoners to 90.

"Meanwhile the enemy machine guns from the hills back of the Americans were still spitting wildly in their direction, and none of the little detachment knew at what moment other Germans might arrive or an undiscovered nest open on them. Their own dead lay about, and they had three wounded, but it became imperative that the detachment should return with their captures immediately. Accordingly Corporal York formed up the prisoners in column and placed his surviving comrades as escort.

"To him came Acting Sergeant Early and Corporal Cutting. The former said: 'York, I'm shot, and shot bad. What'll I do?' York answered: 'You can come out in rear of the column with the other boys.' Private Donahue helped bring him in, for Early was seriously wounded. Corporal Cutting and Private Muzzi were able to walk out unassisted.

"After the turmoil of fighting, none but a woodsman could have found his way back. York's sense of direction was perfect, but though he knew whither he wanted to go he did not know the best way of getting there. The Boche major decided for him.

"'Go along this path,' he suggested, pointing down the one which skirted the base of the hill.

"Of course, York went the other way; that was all he needed to determine him. He formed up his prisoners, placed the major in front of him as a screen, a couple of other officers behind him, and started up the side of the hill through the thick woods. The long line trudged behind, herded by the 7 men left of the detach-

ment, with Sergeant Early and the 2 other wounded bringing up the rear. All the Boches had flung down their weapons and equipment on surrendering. The field of battle was littered with their stuff.

"'Just as we started I passed the body of Corp. Murray Savage', York told me, strongly moved. 'Him and I were cronies—he was my bunkie—but I had to leave him there. I didn't dare to take my eye off the mob of prisoners.'

"As they toiled up the hill the major tried to engage York in conversation.

"'How many men have you got?' he inquired.

"'I got aplenty', returned the second elder grimly, and made him step faster.

"It was impossible to see where they were going on acount of the thick brush, but York knew that the direction was right to bring them out on the side of the hill where the Americans ought to have established a post of command by this time. A hundred yards or more, and they were challenged. They had stumbled upon another Boche machine-gun nest. York thrust the major in front of him, covered the crew with his pistol, and ordered them to surrender. They abandoned their weapons and equipment and joined the prisoners.

"BACK TO SAFETY

"'During the journey back they flushed several more nests. In one the crew offered resistance.'

"'I had to shoot a man there,' remarked Corporal York, regretfully. 'When we hit the next nest and I got ready to settle them if they didn't give up, the major tapped me on the shoulder and said, "Don't kill any more and I'll make them surrender", and he did.'

"The result of these operations was that York and his small detachment pretty well cleaned up that hill before they arrived on the other side. He says that somebody was shooting at them from behind as they went along, but without any damage.

"Probably this firing came from a bunch of machine gunners whom Captain Danforth accounted for half an hour later. With Sergeant Olson and two runners he easily captured 44 prisoners while going back for his support platoons.

"On the far slope of the hill York heard a loud challenge of 'Halt!' and perceived a bunch of doughboys about to fire. He shouted to them that he was bringing prisoners, and they permitted him to approach. The men were part of a detachment that had taken up position in the old abandoned trench York and his party had followed earlier in the day.

"It was wearing on toward 10 o'clock when York and his column emerged from the scrub at the foot of the hill and halted near a dugout in which the attacking Americans had just established a battalion P.C. The battalion was now well upon the ridges fighting its way toward the Decauville Railroad.

"'I certify that I personally counted the prisoners reported to the P.C. of the Second Battalion, Three Hundred and Twenty-eighth Infantry, by Corp. Alvin C. York, Company G, Three Hundred and Twenty-eighth Infantry, on October 8, 1918, and found them to be 132 in number.' (Jos. A. Woods, first lieutenant, assistant division inspector.)

"'After reporting there York had to take his prisoners farther back. Their route lay through the valley for some distance, and a Boche look-out on a knoll atop Cornay gave the range to his artillery. A few seconds, and shells began bursting close to the column. The prisoners yelled and squealed, and some of them attempted to scatter. The Americans herded them back into line and York broke the whole column into a run, which was sustained until they got beyond the shelling.'"

"Gen. Charles P. Summerall, the corps commander, had this to say to York:

"'Corporal York, your division commander has reported to me your exceedingly gallant conduct during the operations of your division in the Meuse-Argonne battle. I desire to express to you my pleasure and commendation for the courage, skill, and gallantry which you displayed on that occasion. It is an honor to command such soldiers as you. Your conduct reflects great credit not only upon the American Army but upon the American people. Your deeds will be recorded in the history of this great war and they will live as an inspiration not only to your comrades but to the generations that will come after us. I wish to commend you publicly and in the presence of the officers of your division.'

"Also from the History of the Eighty-second Division, by Lieut. Col. George E. Roosevelt:

"'The corps objective which the Three Hundred and Twenty-eighth Infantry reached on October 8 was a narrow-gage railroad which supplied the German troops opposing the Seventy-seventh Division with food and ammunition. This strategic line was seized and held in an assault of great brilliancy by the Second Battalion, Three Hundred and Twenty-eighth Infantry. It was during this attack that Sgt. Alvin C. York, with some assistance from 7 men in his squad, fought and whipped a first-class German battalion, capturing and bringing into our lines 132 prisoners, including the German major and 3 other officers. This has been called the outstanding individual achievement of the war.'

"The following is from an editorial in the Philadelphia Ledger, dated May 7, 1919:

"'While a certain type of mind will squirm these days as it reads of the honors that crowd the path of Sgt. Alvin C. York, of Tennessee, who, like the captains of Bible times, slew 25 Germans and captured 132 in one engagement, although he was an elder in the Church of Christ and was opposed to war, at the same time, for most healthy-minded Americans York will stand as the best type of the American soldier. For Sergeant York was opposed to war and is still opposed to war. Though he has been medaled and honored by Congress and by Foch and is now being given practically the freedom of America, he is still the same simple, honest elder of the Tennessee mountains and has not become a blood-thirsty monster or a cruel and relentless advocate of might as against right. No; Elder York when he was drafted saw there was a great idea back of America's participation in the war. He believed that "righteousness exalteth a nation", and also that it should prevail, and he convinced himself and others, too, that it was this country's duty and his, by the way, not some other person's duty who was not an objector, to put an end to the threat of might with which Germany filled the earth. As a Christian, as Dr. Vandyke has pointed out, York made that tremendous and necessary distinction between hate and righteous abhorrence of wrong, without which abhorrence moral and spiritual concepts are a mere feeble beating of the winds. So, as our Muhlenberg did in the Revolutionary days, Elder York saw that there was a time for fighting as well as a time for prayer and exhortation. And that he returns to his homeland fit in body and mind, and modest withal, warrants the enthusiasm over him, since what he does and says is a rebuke to those who would have us believe that this high police duty that our men performed across the ocean has permanently impaired the American character. As Sergeant York proves, as it were, on behalf of all his associates, it has given them a clearer vision of actualities and a new sense of the value of peace, but not a peace at the cost of dishonor, at the cost of right helpless before wrong, unpunished and unrepentant.'

"Also from an editorial from the Louisville Courier Journal of October 11, 1919:

"'Alvin C. York, who might have lived in luxury like Mary Pickford had he been willing to capitalize his fame as a hero, is marvelously—to many persons incomprehensively—modest, earnest, and unmercenary. His speech made in Louisville in the interest of the education of children in the mountains of Tennessee hardby is a revelation. His fame as a man of high ideals precedes him as far as his fame as a military hero, but his appearance in the flesh and his expression of the spirit impress anew the manliness of the man, which is even more inspiring than the achievement of the hero in the smoke and the sweat of battle. We admire the might and skill of a Trojan warrior. We revere the moral qualities of Lincoln. In the presence of Sergeant York, backwoodsman, blacksmith, farm hand, pillar of the local church, are combined the romantic attributes of a soldier of singular and all but incredible achievement and the clear vision of the rare man of little schooling and much reflection, who is the superior of the highly educated in essential enlightment.

"'It is said too often that the military hero is the mere daredevil type, the sporting spirit who finds in war his first opportunity for really worthy accomplishment. It is believed too widely that courage upon the battlefield proceeds from the love of excitement, which makes the dashing polo player, roughrider, or the reckless motorist. It is well for young Americans to hear from Sergeant York the following:

"'"I was offered many different kinds of positions, and tonight I could have $500,000 in bank if I'd accepted those offers, but I read in a little book I carried on the battlefields of France something that I remembered. It said, 'What does it profit a man if he gain the whole world and lose his own soul?'

"'"When I came back here I remembered that those little ones in the mountains were struggling for something greater than money—the right to become upright and Christian men and women—and I thought I would show them the example."

"'School histories of the recent war should contain a chapter telling the story of Alvin C. York's attitude toward his responsibilities after his return to America.

"'Like Putnam, who is credited in legend with having crept into a wolf's den and dispatched a destructive pariah, Sergeant York has the sort of self-confidence which makes possible Homeric achievement in the fight. Like Putnam, he returned to the farm at the end of the war. Putnam's fame is everlasting, because he is compared with Cincinnatus. York's fame will live because of his Lincolnian simplicity and moral steadfastness, not because of the incident in the Argonne solely.'"

Your committee sets forth the official military citations that accompanied the award of the Congressional Medal of Honor, which citations are as follows:

"GENERAL ORDERS, NO. 59

"Award of Medal of Honor

"WAR DEPARTMENT,
"*Washington, May 3, 1919.*

"By direction of the President, under the provisions of the act of Congress approved July 9, 1918, the Medal of Honor was awarded April 11, 1919, in the name of Congress, for conspicuous gallantry in action in France to the following-named enlisted men of the United States Army:

"'Alvin C. York (serial no. 1910421), corporal, Company G, Three Hundred and Twenty-eighth Infantry. For conspicuous gallantry and intrepidity above and beyond the call of duty in action with the enemy near Chateau-Thierry, France, October 8, 1918. After his platoon had suffered heavy casualties, Corporal York assumed command. Fearlessly leading seven men, he charged with great daring a machine-gun nest which was pouring deadly and incessant fire upon his platoon. In this heroic feat the machine-gun nest was taken, together with 4 officers and 128 men and several guns.'

"Major General Duncan, who commanded the Eighty-second, or All-American, Division, and who presented the Medal of Honor, said, in announcing the award:

"'The commanding general takes particular pride in announcing to the command this fine example of courage and self-sacrifice. Such deeds are evidence of that spirit and heroism which is innate in the highest type of American soldier and responds unfailingly to the call of duty wherever or whenever it may come.'

"Petain, the Marshal of France, commander of the French Armies, issued the following citation to Alvin C. York in order no. 16046, dated April 13, 1919:

"'GENERAL HEADQUARTERS OF THE FRENCH ARMIES OF THE EAST

"'With the approbation of the Commander in Chief of the American Expeditionary Forces in France, the Marshal of France, commander in chief of the French Armies of the East, cites in the award of the Army, Corp. Alvin C. York, no. 1910421, Company G, Three Hundred and Twenty-eighth Regiment, American Infantry. All the noncommissioned officers of his platoon having been put out of the battle, he took command, and with seven men succeeded in reducing to silence a nest of enemy machine guns, capturing 132 prisoners, 4 of whom were officers, and several machine guns.'

"Marshal Foch, commander in chief of the allied armies, decorated Sergeant York with the Croix de Guerre, with palm. General Pershing, Commander in Chief of the American Expeditionary Forces, decorated him with the Distinguished Service Cross. The King of Montenegro awarded him with the Medaille de Bravours. The French Government awarded him its Medal of Honor. The Italian Government awarded to him its Medal of Honor and the Italian Croche di Gerra. The State of Tennessee awarded him a medal of honor.

"In bestowing the Croix de Guerre with palm on April 24, 1919, Marshal Foch said:

"'What you did was the greatest thing ever accomplished by any soldier of any of the armies of Europe.'

"On the occasion of his landing in New York, on the return from the war on May 24, 1919, he was met by generals, admirals, Congressmen, and many notables. That night he was the chief guest at a dinner of 128 members of the Tennessee Society at the Waldorf Hotel, Maj. Gen. George B. Duncan, commander of the Eighty-second Division of the American forces, of which York, as a member of Company G. Three Hundred and Twenty-eighth Infantry, was a part, paid Sergeant York this tribute:

"'This is a very unique experience indeed. I have talked with soldiers a great deal, but this is the first time in my life I have been the guest to honor one. It is an especial distinction to have on one side the admiral who safely conducted us to Europe (Vice Admiral Gleaves, of Nashville) and on the other side to be reflected in the glory of one of the most distinguished soldiers the world has produced. His deeds are of the character that go down in history, upon which boys and girls of our country are fed to make them patriotic and in time of emergency to emulate the example he set.'

"On his arrival at Nashville, the capital of his State, in May 1919, York was given a great ovation at the Ryman Auditorium, fully 6,000 people being present. In answer to many tributes paid him, York, among other things, said:

"'The American Army in France and in Europe has had the opportunity to accomplish the greatest victory ever known. They did it with a will. They did it with a spirit, and I say that the American Army is the greatest army in the world today.

"'And America is the only nation that has the greatest generation of young men; let's make it a better nation and a more Christian nation. Let's better the towns and cities, but first let's better ourselves.'

"The people of Tennessee have given to him a farm in Fentress County, near his former home, and he is now engaged in cultivating that farm. Recently he had a destructive fire, burning his barn and some of his stock and much grain. He is also engaged in educational work. He has refused to go on the movie stage or to lecture for money for himself or do any of the other things for the purpose of advertising himself or making money out of his patriotic conduct during the war. This is a very high and dignified position and one that ought to be emulated. The Government of the United States can well afford to give him this honor of a commission and to retire him on the small annual pay that will go to him in the event the bill is passed and he is appointed and retired by the President.

"Nor, in the opinion of your committee, will this action be regarded as a precedent that will ever be embarrassing to the Congress. Perhaps no one in the war performed a more conspicuous act of bravery, and instead of its being a precedent that the people of the United States would not want followed, it will be a precedent showing the high esteem in which the people of the United States hold a conspicuous act of bravery upon the part of one of its enlisted soldiers, and, therefore, your committee earnestly recommends that the bill be passed."

ROBERT RAYFORD WILCOXSON

The bill (H.R. 5809) to provide compensation for Robert Rayford Wilcoxson for injuries received in citizens' military training camp was announced as next in order.

Mr. KING. Mr. President, I should like to know whether this is to be the policy of the Government and whether there has been an investigation made by the proper authorities to determine at least what are the obligations of the Government.

Mr. SHEPPARD. Mr. President, all this bill proposes to do is to authorize the Compensation Commission to examine the case and see if it can be brought within the terms of the Compensation Act. The War Department and the Military Affairs Committee realize that there is no precedent for payment by Congress in such cases, but there should be some provision by which men who enter the military training camps and are injured may be provided for. This bill provides that the Compensation Commission shall look into the case and ascertain whether, under the rules governing the compensation of employees for injuries while in the service, the beneficiary under this bill may be compensated under the law.

Mr. KING. As I understand the bill, it automatically places the beneficiary in the category referred to?

Mr. SHEPPARD. Provided that on examination the Commission finds that he would be entitled to relief under the rules they apply to other Government employees who are injured in the service.

Mr. KING. It does not automatically, then, place him in the relief class?

Mr. SHEPPARD. No; not at all.

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

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

CONTINUATION OF INVESTIGATION BY FEDERAL TRADE COMMISSION

The joint resolution (S.J.Res. 115) to provide for the continuation of the investigation authorized by Senate Resolution 83, Seventieth Congress, first session, was announced as next in order.

Mr. HEBERT. Mr. President, the Senator from New Jersey [Mr. BARBOUR] objected to this joint resolution, and, in his absence, I ask to have it go over.

Mr. NORRIS. Mr. President, does the Senator from Rhode Island object?

Mr. HEBERT. I do not object except on behalf of the Senator from New Jersey [Mr. BARBOUR], who is necessarily absent from the Senate.

Mr. NORRIS. I should dislike very much in the absence of a Senator to insist on taking up the joint resolution; but if it shall not be passed now, of course, it will be dead for this session. The only thing the joint resolution, as amended, does is to extend the time to 1936—an extension of 1 year—for the Federal Trade Commission to continue its investigation under Senate Resolution 83, under which it has been operating for 2 or 3 years.

The Federal Trade Commission is unable to finish the investigation within the time fixed by the limitation. There is no dispute or question about the joint resolution, and there are some very important things yet to be done which will remain unfinished if the joint resolution shall not be passed. It only extends the time for the investigation to 1936.

Mr. HEBERT. Mr. President, I myself have no objection to the joint resolution. I was merely acting on behalf of the Senator from New Jersey. I may say to the Senator from Nebraska it is my information that the Senator from New Jersey will return to the Senate before the conclusion of the consideration of the calendar this morning, and then, no doubt, the Senator may recur to it.

Mr. NORRIS. I am satisfied the Senator from New Jersey would have no objection if he understood the purpose of the joint resolution. Under the circumstances, I ask that the joint resolution go over temporarily without prejudice.

Mr. HEBERT. Very well.

The PRESIDING OFFICER. Without objection, the joint resolution will be passed over temporarily without prejudice.

Mr. NORRIS subsequently said: Mr. President, a short time ago we passed over temporarily Senate Joint Resolution 115, to provide for the continuation of the investigation authorized by Senate Resolution 83, Seventieth Congress,

first session. The objection was made on behalf of the Senator from New Jersey [Mr. BARBOUR], who has now returned. I have talked with him about it, and he has no objection to the joint resolution; and I ask unanimous consent that we may return to it.

The PRESIDING OFFICER. The Senator from Nebraska asks unanimous consent to return to Senate Joint Resolution 115, Order of Business No. 1317. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Interstate Commerce with an amendment, on page 2, line 4, after the word "January", to strike out "1937" and insert "1936", so as to make the joint resolution read:

Whereas it is learned that the Federal Trade Commission, because of lack of time, money, and personnel, intends to close its utilities investigation under S.Res. 83, Seventieth Congress, first session, without investigating various important corporations included among those described in said resolution; and

Whereas it is in the public interest that certain of said corporations be investigated. Therefore be it

Resolved, etc., That the Federal Trade Commission be, and it is hereby, authorized and directed to proceed under the Senate resolution aforesaid until it has investigated such of said corporations as in its judgment should be investigated, but the investigation shall be completed and the Commission's final report, with recommendations, shall be submitted to the Congress not later than the first Monday in January 1936.

The amendment was agreed to.

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

The preamble was agreed to.

ANALYTICAL REGISTER OF REGULAR ARMY OFFICERS

The Senate proceeded to consider the joint resolution (S.J.Res. 101) authorizing the publication as a public document of America Secure Analytical Register of Regular Army Officers and Security Statistics, with graphs, 1775–1934, which had been reported from the Committee on Military Affairs, with an amendment, on page 3, after line 16, to strike out section 5, as follows:

SEC. 5. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to be paid to said John J. Lenney for the services rendered and to be rendered in compiling the study hereinbefore mentioned, such sum to be paid upon completion of such compilation and shall be in addition to his compensation as an adjudicator of insurance claims in the office of the Administrator of Veterans' Affairs or any other income received by him from the United States.

So as to make the joint resolution read:

Whereas there is no comprehensive register containing brief military biographies of all regular officers of the United States Army and no comprehensive statistical tables nor graphs showing all the tangible elements of national security from 1775 to 1934; and

Whereas there is sufficient evidence of public need for publication of such register, tables, and graphs; and

Whereas a compilation of such register, tables, and graphs has been completed by John J. Lenney for the period 1775 to 1923, both dates inclusive: Therefore be it

Resolved, etc., That the Secretary of War is authorized and directed to compile and publish a comprehensive register containing brief military biographies of all regular officers of the United States Army and comprehensive statistical tables and graphs showing all the tangible elements of national security for the period beginning with 1775 and ending December 31, 1934, such compilation to be known as "America Secure Analytical Register of Regular Army Officers and Security Statistics with Graphs, 1775–1934", by John J. Lenney.

SEC. 2. The Secretary of War is further authorized and directed to use the compilation made by John J. Lenney, such compilation including the years 1775 to 1923, and to appoint said John J. Lenney to complete such compilation in accordance with the provisions of this resolution. Such appointment of said John J. Lenney shall be for such number of months, not exceeding 12, from the date of approval of this resolution, as may be necessary to complete such compilation and shall be without prejudice to the status or compensation of said John J. Lenney as an adjudicator of insurance claims in the Office of the Administrator of Veterans' Affairs or to his relative standing in respect of efficiency. The Secretary shall appoint additional employees to assist said John J. Lenney and shall provide drafting and photostatic services and necessary materials at a cost not to exceed $7,322, to be paid out of the available appropriations for the War Department.

SEC. 3. The Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Director of the Budget, and the Administrator of Veterans' Affairs are authorized and directed to furnish to said John J. Lenney such information as may be necessary to complete the compilation provided for by this resolution, if such information is not inconsistent with the public interest.

SEC. 4. Such compilation, when completed, shall be printed as a Senate document and 10,000 additional copies shall be printed, of which 3,000 shall be for the use of the Senate, 6,900 shall be for the use of the House of Representatives, and 100 for the use of said John J. Lenney.

The amendment was agreed to.

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

The preamble was agreed to.

SUPERINTENDENT OF SHILOH NATIONAL PARK, TENN.

The Senate proceeded to consider the resolution (S.Res. 198) creating a select committee to investigate charges against the Superintendent of the Shiloh National Park, Tenn.

Mr. KING. Mr. President, will not the Senator from Tennessee consent to an amendment to reduce the size of the committee from five? It seems to me that the investigation, while it may be important, may be conducted by two Senators and not more than three.

Mr. McKELLAR. Mr. President, the committee has recommended that "five" be stricken out and "three" inserted; and I will say to the Senator for his information that the amount to be expended has been reduced from $2,000 to $1,000, both of which amendments I have accepted. I ask the clerk to state the amendments.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 1, line 1, before the word "Senators", it is proposed to strike out "five" and insert "three"; and on page 2, line 15, after the word "exceed", to strike out "$2,000" and insert "$1,000", so as to make the resolution read:

Resolved, That a select committee of 3 Senators, 2 of the majority party and 1 of the minority party, be, and the same is hereby, authorized to be appointed by the Vice President to examine into charges of incompetency and abuse of official duties by the superintendent of the Shiloh National Park at Pittsburg Landing, Tenn.; and specifically the following charges of wrongdoing at said park:

First. As supervising officer for the Civil Works Administration, the said superintendent did on or about January 11, 1934, make a false certification of certain pay rolls.

Second. That in November 1933 it is alleged that he offered a bribe of a position to be paid out of Government funds.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $1,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

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

The amendments were agreed to.

The resolution, as amended, was agreed to.

EXECUTION OF INDEMNITY AGREEMENT BY SECRETARY OF THE TREASURY

The Senate proceeded to consider the bill (S. 3224) authorizing the Secretary of the Treasury to execute a certain indemnity agreement, which had been reported from the Committee on Finance with an amendment, on page 2, line 1, after the numeral "7", to strike out "1932" and insert "1922", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized to execute in the name of the United States, and deliver to the liquidating agent of the Biltmore-Oteen Bank, Biltmore, N.C., upon receipt from such liquidating agent of $385, an agreement of indemnity binding the United States to make reimbursement to such liquidating agent in the event that such liquidating agent is required to make payment to a bona-fide holder upon presentation of draft numbered 380, dated November 7, 1922, in the amount of $385, drawn by the Biltmore-Oteen Bank, Biltmore, N.C., on the Hanover National Bank, New York, N.Y., to the order of the Treasurer of the United States.

The amendment was agreed to.

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

ROBERT RAYL

The bill (S. 3562) for the relief of Robert Rayl was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue patent to Robert Rayl on desert-land entry, Blackfoot, Idaho, numbered 039881, entered by him November 17, 1925, for the northwest quarter, and the west half southwest quarter section 15, township 11 south, range 17 east, Boise (Idaho) meridian.

MEXICAN INTERNATIONAL BOUNDARY COMMISSION

The joint resolution (S.J.Res. 81) to provide for defraying the expenses of the American section International Boundary Commission, United States and Mexico, was announced as next in order.

Mr. KING. Mr. President, I should like to make an inquiry of the Senator from New Mexico. The commission referred to in the joint resolution has been in existence from time immemorial. There ought to be some period when it should conclude its labors. We are creating commissions to last from time to eternity. I should like some of these commissions some day to end. Is the Senator from New Mexico familiar with this measure which continues this boundary commission which has been in existence for many years and giving them an additional appropriation? Does he know when, if at all, it is intended that this commission shall terminate its labors?

Mr. HATCH. Mr. President, I do not know. I regret I am unable to answer the question of the Senator.

Mr. ROBINSON of Arkansas. May I say to the Senator from Utah that the joint resolution was presented, as I understand, at the instance and on the recommendation of the State Department. It is designed to carry on the work of the Joint Boundary Commission, which has been in progress for some years and which will probably continue for some years.

Mr. KING. I agree with my friend that it will continue for some years. I should like, though, to serve notice, Mr. President, that at the next session of Congress there ought to be a report as to what has been done and what is anticipated to be done, and that, in my opinion, Congress ought to bring to an end the Commission, as well as many others.

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

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

Resolved, etc., That there is hereby authorized to be appropriated, in addition to amounts heretofore authorized to be appropriated, the sum of $60,000 to defray the expenses of the American Section, International Boundary Commission, United States and Mexico, in the conduct of an engineering investigation, study, and report to the Secretary of State to determine the feasibility and best means of effecting the canalization of the Rio Grande from the Caballo Reservoir site in New Mexico to the international diversion dam near El Paso, Tex., in order to facilitate Federal control of the channel of the Rio Grande and compliance by the United States with its obligations to deliver, at said international diversion dam, water to Mexico pursuant to the convention concluded May 21, 1906, providing for the equitable distribution of waters of the Rio Grande for irrigation purposes, including salaries and wages; fees for professional services; rents; travel expenses; per diem in lieu of actual expenses for subsistence; printing and binding; purchase, exchange, maintenance, repair, and operation of motor-propelled passenger- and freight-carrying vehicles; telephone, telegraphic, and air-mail communications; ice; equipment, supplies, and materials and other such miscellaneous expenses as the Secretary of State may deem necessary properly to carry out the investigation.

UPPER MISSISSIPPI RIVER WILD LIFE AND FISH REFUGE

The bill (S. 3411) to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of the measure. I have had some complaint to the effect that notwithstanding the very large appropriation the Commission has been very slow in acquiring land, and there is some doubt as to the necessity of the acquisition of additional land.

Mr. MURPHY. Mr. President, the bill does not contemplate the appropriation of an additional dollar. Money was appropriated for the acquisition of the land for a game preserve and it has not all been expended. We are about to engage in making a 9-foot channel in the Mississippi River. Because of the flooding of a great many lowlands which were originally intended for the game preserve, the purpose and intent are to use the balance of the money appropriated to buy adjacent hillsides, where desirable and where needed, for continuance of the refuge.

May I ask if that explanation is satisfactory to the Senator from Utah?

Mr. KING. Very well.

Mr. MURPHY. Mr. President, the House has passed a bill which, I believe, is identical in language, being Calendar No. 1488. I ask that the House bill be substituted for the Senate bill and placed upon its passage.

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

Mr. KING. Mr. President, is the House bill textually the same?

Mr. MURPHY. Yes; it is.

Mr. KING. I shall not object, but it seems to me the Commission ought to have proceeded with greater celerity in the execution of the task devolving upon it under the law. I am rather surprised to learn about the 9-foot channel. We have spent over $550,000,000 upon the Mississippi River in order to have boats plying up and down the river, and yet there are fewer boats now than in the days of Mark Twain. How many more millions or hundreds of millions of dollars are to be wasted on the Mississippi River no one seems to know.

The PRESIDING OFFICER. The Senator from Iowa asks unanimous consent that the House bill—H.R. 9646—be substituted for the Senate bill and considered at this time. Is there objection?

There being no objection, the bill (H.R. 9646) to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. The Senate bill—S. 3411—of the same title will be indefinitely postponed.

WILSON G. BINGHAM

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

Mr. KING. Mr. President, I understood a substitute was offered for this bill.

Mr. LOGAN. Mr. President, it is not a substitute. Originally the Senate committee made a report which was in the nature of an amendment striking out of the House bill all after the enacting clause and inserting. The measure was recommitted to the Committee on Military Affairs, and we have simply reported favorably the House bill. The bill is one that is very meritorious. A young man named Bingham——

Mr. KING. Mr. President, will the Senator permit me to interrupt him?

Mr. LOGAN. Certainly.

Mr. KING. I do not quite agree with the Senator as to the merit of the bill, but my understanding is that it is expected automatically to place Mr. Bingham on the retired list.

Mr. LOGAN. That is correct. That is the reason why it is meritorious. It only allows him to have his case reexamined. It is very different from the other bill. He was probably the most brilliant young man in the service.

Mr. KING. I have no objection if an amendment has been made along the lines indicated.

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

There being no objection, the bill (H.R. 2632) for the relief of William G. Bingham was considered, ordered to a third reading, read the third time, and passed.

MAJ. E. P. DUVAL

The bill (S. 1293) authorizing the President to order Maj. E. P. Duval before a retiring board for a hearing of his case, and upon the findings of such board determine whether

or not he be placed on the retired list with the rank and pay held by him at the time of his resignation, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War, under the direction of the President, is hereby authorized, in his discretion, to order E. P. Duval, late major, United States Army, before a retiring board for the purpose of a hearing of his case and to inquire into and determine the facts touching the nature and occasion of his disability, and to find and report the cause which, in its judgment, has produced his incapacity, and whether such cause is an incident of the service, according to the statute, and that upon the findings of such board the President is further authorized, in his discretion, to nominate and, by and with the advice and consent of the Senate, to appoint said E. P. Duval a major, the grade which he had at the time of his resignation, and to place him on the retired list of the Army: *Provided*, That no pay, bounty, or other allowance during the period between the time that he resigned and the time of the passage of this Act shall become due and payable by virtue of this act.

JAMES HENRY GREEN

The bill (H.R. 6497) for the relief of James Henry Green was considered, ordered to a third reading, read the third time, and passed.

LIQUOR DISTILLERIES AND RECTIFYING PLANTS

The bill (S. 3635) to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries was announced as next in order.

Mr. LEWIS. Mr. President, I am moved to rise and ask that an identical House bill, which has passed the House and is now on the Senate calendar, be substituted for the Senate bill which has been reported favorably, and that the House bill be put upon its passage.

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

There being no objection, the Senate proceeded to consider the bill (H.R. 9617) to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Senate bill 3635 will be indefinitely postponed.

PAUL I. MORRIS

The Senate proceeded to consider the bill (H.R. 2669) for the relief of Paul I. Morris, which had been reported from the Committee on Claims, with an amendment, on page 1, line 5, to strike out "$764" and insert "$100", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated, the sum of $100 to the said Paul I. Morris in full payment for hospital, physician, and nursing bills and funeral expenses incurred by him in the last illness, death, and burial of William Fuller Morris, who died July 21, 1930, as the result of disease contracted at the citizens' military training camp, Fort McClellan, Ala.

SEC. 2. That the amount herein appropriated shall be in full settlement of all claims of the said Paul I. Morris against the United States on account of the death of his said son.

Mr. GEORGE. Mr. President, the House bill was favorably reported by the committee, with an amendment reducing the amount allowed to the parents of the young man from $764 to $100. I ask the Senate to disagree to the committee amendment with an amendment. I move that the committee amendment be amended by striking out $100 and inserting in lieu thereof "$660." I ask that the amendment of the Committee on Claims be rejected and my amendment be adopted in lieu thereof. If the claim be meritorious and should be paid, the amount of the actual out-of-pocket expense incurred by the parents of the young man should be allowed.

The PRESIDING OFFICER. The amendment of the Senator from Georgia to the committee amendment will be stated.

The CHIEF CLERK. It is proposed, on page 1, line 6, in the committee amendment to strike out "$100" and insert in lieu thereof "$660."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

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

The bill was read the third time and passed.

COMMEMORATION OF BOYHOOD HOME OF "STONEWALL" JACKSON

The bill (H.R. 8513) to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson was considered, ordered to a third reading, read the third time, and passed.

SCHOOL DISTRICT 17-H, BIG HORN COUNTY, MONT.

The Senate proceeded to consider the bill (S. 2894) 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, which was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $158,000 for the purpose of cooperating with school district no. 17-H, Big Horn County, Mont., for the extension and improvement of public-school buildings at Hardin and at Crow Agency: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all Indian children of the school district on the same terms, except as to payment of tuition, as other children of the school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

Mr. KING. Mr. President, my understanding when the matter was under consideration sometime ago was that the amount involved was in the neighborhood of $50,000. I see it is now $158,000. I should like the Senator from Montana [Mr. WHEELER] to explain whether the amount, whatever may be provided, is to come from the Treasury of the United States or from the tribal funds of the Indians.

Mr. WHEELER. Mr. President, it is not to come from the tribal funds.

Mr. KING. The $158,000 to be provided is for the purpose of cooperating with school district no. 17-H, Big Horn County, Mont., for the extension of public-school buildings to be available to Indian children at Hardin and at Crow Agency.

Mr. WHEELER. Yes. The bill has the endorsement of the Department. The Crow Agency of Montana takes in a large part of Big Horn County. Heretofore there has been a high school where the Indians have gone to private school. The Department is doing away with that school and sending them to public schools, but there is not sufficient room in the public schools to accommodate all the Indian children. The Department came to the conclusion that it would be much better for the Indian children and that they would become Americanized much better and more quickly if they should go to the public schools. They are willing to build the additional room necessary for the accommodation of the Indian children. I think it is a very meritorious bill. The plan has worked very well in every place where it has been adopted, and to the advantage of the Indians and white people generally.

Mr. KING. I have no objection.

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

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

REGULATION OF MORTGAGE FORECLOSURES IN THE DISTRICT

The bill (S. 2684) to regulate foreclosure of mortgages and deeds of trust in the District of Columbia was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Utah [Mr. KING] to state the purpose of the bill and to explain the important changes which it would make in existing law?

Mr. KING. Mr. President, the bill does not go so far as it ought to go nor does it meet the requirements as I believe they should be met. I introduced a bill which I thought was adequate. It provided that where mortgages or trust deeds have been given to secure the payment of obligations, there should not be sales by mere advertisement, as so many have been made, whereby persons lose their homes and have no chance for redemption.

I introduced a bill providing there should be a 1-year period of redemption. The committee did not agree with me, but reported the bill, which had the approval of the Commissioners, and which does change existing law to this extent: It provides that notice shall be given, as I recall, for 90 days in contradistinction to the present system, in order that debtors may not be sold out without any notice whatever. It does not go far enough, but I think it is a step in the right direction.

Mr. ROBINSON of Arkansas. I have no objection.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with amendments, on page 3, line 13, after the word "foreclosure", to strike out "setting a day for the" and insert "directing such"; and in line 20, after the word "sale", to strike out "as fixed by the court", so as to make the bill read:

Be it enacted, etc., That subchapter 2 of chapter 16 of the Code of Laws for the District of Columbia, approved March 3, 1901, as amended, is amended by inserting after section 539 thereof the following new sections:

"SEC. 540. No real property or interest therein shall be sold for default under the terms of any mortgage, deed of trust, or other instrument hereafter executed to secure the payment of any note, bond, or other evidence of indebtedness, whether or not containing a power of sale, except by decree or order of the Supreme Court of the District of Columbia to be entered in a proceeding brought therefor as hereinafter set forth.

"SEC. 541. Every such proceeding shall be commenced by the mortgagee named in a mortgage, or by the trustee or trustees named in a deed of trust, at the request of any holder of any note, bond, or other evidence of indebtedness secured thereby upon which the principal or any part thereof, or interest thereon, is overdue and unpaid, or where other default has occurred under the terms of the mortgage or deed of trust. Where such default has occurred and it is desired that a foreclosure proceeding shall be commenced, the mortgagee or the trustee or trustees, as the case may be, shall file an affidavit with the auditor of the Supreme Court of the District of Columbia, setting forth the nature of the default, the name of the owner of record of the property charged and his last-known address, and a review of the terms of the mortgage or deed of trust as to its date, the amount secured thereby, and the date of maturity.

"Upon the filing of such affidavit and the exhibition to the auditor of such note, bond, or other evidence of indebtedness, it shall be the duty of said auditor to cause a notice of said default to be promptly given to the owner of record by registered mail, with request for return receipt, directed to his last-known address as shown by said affidavit. At the expiration of 90 days from the mailing of such notice, if the amount in default, which shall exclude the amount due under any acceleration clause contained in the deed of trust, mortgage, or other instrument, has not been paid, together with all actual and necessary costs incurred, or if such other default in the mortgage or deed of trust as shall form the basis of the aforesaid affidavit shall not have been remedied, the auditor shall make a report to the Supreme Court of the District of Columbia with a recommendation for the sale of the property so charged and, within 10 days thereafter, the court shall sign the appropriate order or decree of foreclosure, directing such sale by the trustee or trustees named in said mortgage or deed of trust, conditioned upon such prior advertisement as may be fixed therein or to the court may seem proper, upon such terms and conditions as may be provided for in the said mortgage or deed of trust. No such sale, however, shall be had hereunder if at any time prior to the day of sale the breach of the terms of the mortgage or deed of trust has been remedied by payment of such money as may be due and in default, or by the performance of any omitted act required by said mortgage or deed of trust to be done: *Provided further*, That all costs and expenses incident thereto and properly chargeable hereunder shall have been paid: *And provided further*, That nothing herein contained shall be held to curtail any right of the mortgagor, or person, firm, or corporation obligated by the said mortgage or deed of trust, or note, bond, or other evidence of indebtedness secured thereby to pursue any remedy, either at law or in equity, to set aside the sale upon proof of fraud or gross inadequacy in the sale price.

"In case of default under the terms of any deed of trust, mortgage, or other instrument securing the payment of any note, bond, or evidence of indebtedness wherein the property charged is not a dwelling house occupied by the owner thereof, the court may, upon application either by the mortgagee, trustee, or by any holder of any note, bond, or other evidence of indebtedness, appoint a receiver for the rents accruing from said property for the period of such default and, upon a sale of the property so charged or payment of the amount in default, the court shall make such order for the disposition of the funds in the hands of such receiver as may be equitable and proper.

"SEC. 542. The trustee or trustees making sale of the property, as hereinbefore provided, will be allowed a commission not in excess of 2 percent of the first $5,000 of the sale price of said property over and above the amount of any prior mortgage or deed of trust and not in excess of 1 percent of the balance of said sale price: *Provided, however*, That such commissions shall not, in any case, be less than $50. Where the notice hereinbefore provided shall have been given and no sale of the property is made, the trustee or trustees shall be allowed a commission not in excess of one-half of the commissions above provided for in the event of sale, but in no event less than the sum of $25. The trustee or trustees shall be allowed, in addition, such reasonable attorney's fees or other costs as may have been incurred by the trustees: *Provided, however*, That no attorney selected by the trustee or trustees shall be entitled to compensation unless his selection by the trustee or trustees shall have been approved by appropriate order of the Supreme Court of the District of Columbia. The auditor as aforesaid shall be entitled to the following fees for services rendered under this act: Where the mortgage or deed of trust, or the unpaid balance thereof, being foreclosed, is not in excess of $10,000, no fee; if in excess of $10,000 but not more than $100,000, $10; and if in excess of $100,000, $25; such fee to be paid out of the proceeds of the sale of any such foreclosed property; and in the event that such property be not sold, said fee shall be included in the costs and expenses to be paid by the party obligated under such mortgage or deed of trust to avoid a sale thereunder.

"SEC. 543. Within 10 days after the execution and delivery of a conveyance of the property so sold, the trustee or trustees making sale of any real estate under this act shall file in the office of the clerk of the court a report and statement of such sale, which shall show, among other things, the name of the purchaser, the amount for which the property was sold, and the terms of sale, together with the disbursements made by the trustee or trustees out of the proceeds of any such sale. The provisions of section 545 of the Code of Law of the District of Columbia insofar as the same are inconsistent herewith are hereby repealed."

The amendments were agreed to.

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

BILL PASSED OVER

The bill (H.R. 1646) to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia, to prescribe penalties for the violation of the provisions of the act, and for other purposes, was announced as next in order.

Mr. McCARRAN. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

EDUCATION OF CHILDREN OF SOLDIERS, ETC., KILLED IN WORLD WAR

The bill (H.R. 9143) providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War, was announced as next in order.

Mr. WALSH. Mr. President, I should like to ask the Senator from New York [Mr. COPELAND], who reported the bill, why it is limited to the District of Columbia. If funds are to be provided for the higher education of children of soldiers killed in the World War, why should it not apply to the children of all soldiers throughout the Nation?

Mr. COPELAND. Mr. President, this bill is to place the District of Columbia on the same plane as the States.

Mr. WALSH. Have the States passed similar legislation?

Mr. COPELAND. Yes; 25 States have done so. We are acting now as the legislature of the District of Columbia.

Mr. WALSH. Very well.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with amendments, on page 2, line 4, after the word "child", to insert "in any one year", and in line 5, after the words "*Provided further*", to strike out the remainder of the bill and insert a proviso, so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, from funds to the credit of the District of Columbia in

the Treasury of the United States not otherwise appropriated, the sum of $3,600, annually, for the fiscal years 1935 to 1943, inclusive, for aid in the education of children (between the ages of 16 and 21 years, inclusive, who have had their domicile in the District of Columbia for at least 5 years) of those who lost their lives during the World War as a result of service in the military or naval forces of the United States, including tuition, fees, maintenance, and the purchase of books and supplies: *Provided*, That not more than $200 shall be available for any one child in any one year: *Provided further*, That appropriations made in accordance with this act shall be expended, under rules and regulations prescribed by the Board of Education of the District of Columbia, only for such children as the said Board, from time to time, may find to be in need of such aid and in such amounts as the said Board from time to time may determine in the case of each child.

The amendments were agreed to.

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

The bill was read the third time and passed.

NATIONAL ASSOCIATION OF STATE LIBRARIES

The bill (S. 3311) to incorporate the National Association of State Libraries was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Irma A. Watts, reference librarian, Pennsylvania Legislative Reference Bureau, Harrisburg, Pa.; Joseph Schafer, superintendent, State Historical Society, Madison, Wis.; Ella May Thornton, librarian, Georgia State Library, Atlanta, Ga.; Margaret C. Norton, superintendent, department of archives, Illinois State Library, Springfield, Ill.; Johnson Brigham, State librarian, Des Moines, Iowa.; George S. Godard, State librarian, Hartford, Conn.; Herbert O. Brigham, State librarian, Providence, R.I.; Gilson G. Glasier, State librarian, Madison, Wis.; Edward H. Redstone, State librarian, Boston, Mass.; Harrison J. Conant, State librarian, Montpelier, Vt.; Henry E. Dunnack, State librarian, Augusta, Maine; Louis J. Bailey, State librarian, Indianapolis, Ind.; Harriet M. Skogh, superintendent, general library division, State Library, Springfield, Ill.; Alice M. Magee, State librarian, New Court Building, New Orleans, La.; their associates and successors, are hereby created a body corporate of the District of Columbia with the name of "National Association of State Libraries" (hereinafter referred to as the "corporation").

SEC. 2. The objects and purposes of the corporation shall be to develop and increase the usefulness and efficiency of State libraries and other libraries doing the work of State libraries.

SEC. 3. The corporation shall have perpetual succession with power (1) to sue and be sued in its corporate name; (2) to make contracts; (3) to acquire by gift, purchase, devise, bequest, or in any other lawful manner, and to hold, convey, or otherwise dispose of, such property, real or personal, as may be necessary for, or in furtherance of, its corporate objects and purposes; (4) to receive contributions of money from individuals, foundations, or corporations and make expenditures thereof; (5) to adopt a corporate seal and alter the same at pleasure; (6) to adopt and alter a constitution and bylaws not inconsistent with the laws of the United States or of any State; (7) to determine the times and places of its meetings, and the number, tenure, and duties of the officers and committees of the corporation; (8) to elect its officers, who shall conduct the business of the corporation within the powers granted by this act; (9) to determine eligibility for membership in the corporation; and (10) to do any and all acts necessary or appropriate to carry into effect the objects and purposes of the corporation.

SEC. 4. The principal office of the corporation shall be maintained in the city in which the president of the corporation resides, but annual or other meetings may be held in any place in the United States.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

DEPOSIT OF TRIBAL OR INDIVIDUAL INDIAN FUNDS

The bill (S. 3665) to amend section 28 of the act of May 25, 1918 (relating to deposits of tribal or individual Indian funds), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 28 of the act entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1919", approved May 25, 1918, is amended by inserting immediately before the colon at the end of the first proviso in the second sentence thereof a semicolon and the following: "except that no such bond or collateral shall be required to be furnished by any such bank which is entitled to the benefits of section 12B of the Federal Reserve Act with respect to any deposits of such tribal or individual funds to the extent that such deposits are insured under such section."

AMENDMENT OF BANKRUPTCY ACT

The bill (S. 3666) to amend section 61 (relating to deposits of bankrupt estates) of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, this bill should be explained. It apparently amends in an important particular the law relating to bankruptcy. I do not see the Senator from South Dakota, who reported the bill, in the Chamber.

Mr. HEBERT. Mr. President, if the Senator will permit me——

Mr. ROBINSON of Arkansas. Certainly.

Mr. HEBERT. I made inquiry concerning the purpose of this bill. It merely proposes to make a very simple amendment that would absolve depositories from giving security for deposits where the deposits are insured in the Federal Deposit Insurance System. In other words, if they should be required to give security by surety bond, it would be double security, because in those cases where the Government insures the deposit it is fully insured.

Mr. ROBINSON of Arkansas. I inquire if the report of the committee is unanimous.

Mr. HEBERT. I am not advised as to that. I am not on the committee. I made inquiry and ascertained this much information, which I am passing on to the Senator.

Mr. COUZENS. Mr. President, may I ask if the bill only excludes the amount covered by deposit insurance—$2,500 or $5,000, as the case may be—from the required surety bond?

Mr. HEBERT. I am not advised as to that, Mr. President. I simply passed on the information which came to me because I was interested to know the purpose of the bill.

Mr. COUZENS. Apparently that is what it does provide.

Mr. ROBINSON of Arkansas. Yes; it provides that—

Depositories shall not be required to give security by surety bond or otherwise for so much of said deposits as are insured by the Federal Deposit Insurance Corporation.

I have no objection to the consideration of the bill.

Mr. WALSH. Mr. President, may I ask the Senator a question? Complaints have come to me from time to time that under the bankruptcy law the judges of the district courts have authority to designate the place of deposit of assets of concerns in bankruptcy; and it has been suggested that that authority has been used to secure the deposit of those assets in certain favored banks. Does the bill under discussion seek to broaden that power or to remedy that alleged abuse?

Mr. HEBERT. It is my understanding that it does not change that power in any way. It simply absolves the depository from furnishing security for the deposit to the extent that it is insured by the Federal Deposit Insurance Corporation, as I understand. That is the explanation that was made to me.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment, on page 1, line 7, to strike out "A pledge of assets or other collateral may be accepted in lieu of a surety bond for the surety of such deposits, and the depositaries" and insert "Depositories", so as to make the bill read:

Be it enacted, etc., That section 61 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, is amended by adding at the end thereof the following new paragraph:

"(b) Depositories shall not be required to give security by surety bond or otherwise for so much of said deposits as are insured by the Federal Deposit Insurance Corporation."

The amendment was agreed to.

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

HARRY H. A. LUDWIG

The bill (S. 2757) for the relief of Harry H. A. Ludwig was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of section 6 of the act entitled "An act to amend the act entitled 'An act to amend the act entitled "An act for the

retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920, and acts in amendment thereof', approved July 3, 1926, as amended", approved May 29, 1930, the Administrator of Veterans' Affairs is authorized and directed to extend the benefits of such section to Harry H. A. Ludwig, formerly an employee of the War Department, Engineer Department at large, in the same manner and to the same extent as if application had been made within 3 months after the effective date of such act of May 29, 1930. The application of the said Harry H. A. Ludwig for the benefits of such act of May 29, 1930, shall be filed with the Administrator of Veterans' Affairs within 3 months from the date of the approval of this act.

ALLOTMENT OF PUBLIC DOCUMENTS AND FRANKING PRIVILEGE

The joint resolution (S.J.Res. 130) to amend section 72 of the Printing Act, approved January 12, 1895, and acts amendatory thereof and supplementary thereto, relative to the allotment of public documents, and section 85 of the same act fixing the date of the expiration of the franking privilege to Members of Congress, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 72 of chapter 23 of the Printing Act (U.S.C., title 44, sec. 158), approved January 12, 1895, and acts amendatory thereof and supplementary thereto, be, and is hereby, amended to read as follows:

"SEC. 72. Allotment of documents: The congressional allotment of public documents (except the CONGRESSIONAL RECORD) printed after the expiration of the term of office of the Vice President of the United States, or any Senator, Representative, Delegate, or Resident Commissioner, shall be delivered to his or her successor in office.

"The Vice President of the United States and any Senator, Representative, Delegate, or Resident Commissioner in Congress, having public documents to his credit at the expiration of his term of office shall take the same prior to the 30th day of June next following the date of such expiration, and if he shall not do so within such period he shall forfeit them to his or her successor in office."

SEC. 2. That section 85 of chapter 23 of the Printing Act (U.S.C., title 39, sec. 326), approved January 12, 1895, be, and is hereby, amended to read as follows:

"SEC. 85. Franking privilege: The Vice President of the United States, and Senators, Representatives, Delegates, and Resident Commissioners in Congress, the Secretary of the Senate, and Clerk of the House of Representatives may send and receive through the mail all public documents printed by order of Congress; and the name of the Vice President, Senator, Representative, Delegate, Resident Commissioner, Secretary of the Senate, and Clerk of the House shall be written thereon, with the proper designation of the office he holds; and the provisions of this section shall apply to each of the persons named herein until the 30th day of June following the expiration of their respective terms of office."

SALE OF TIMBER ON NATIONAL FORESTS

The Senate proceeded to consider the bill (S. 2856) authorizing the adjustment of existing contracts for the sale of timber on the national forests, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment, to strike out all after the enacting clause and to insert:

That the Secretary of Agriculture is hereby authorized, upon application from the contracting parties involved, when such action is necessary in his judgment to prevent hardship, at his discretion and under such conditions, rules, and regulations as he may prescribe, to terminate any contract, made prior to May 1, 1933, for the sale of timber on national forests, without requiring the payment of damages for failure to cut all of the timber involved, except as the value of the remaining timber may have been reduced by the cutting and removal done by the purchaser: *Provided*, That all applications for action by the Secretary under the authority of this act shall be submitted within 1 year from the date of its approval.

The amendment was agreed to.

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

INTERNATIONAL COUNCIL OF SCIENTIFIC UNIONS

The bill (H.R. 6781) to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions was considered, ordered to a third reading, read the third time, and passed.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The bill (H.R. 1) to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates was announced as next in order.

Mr. KING. That bill is reported adversely, is it not?

The PRESIDING OFFICER. The bill is reported adversely. Is there objection to its present consideration?

Mr. COUZENS. This bill was substantially passed upon as an amendment to the silver bill. Therefore, since the Senate has expressed itself on the bill, I ask that it be passed over.

Mr. COPELAND. Mr. President, I ask the Senator to withhold his objection for a moment.

It is a matter of great concern to some of us that this measure came up the other day in connection with the silver bill. That bill was regarded by many friends of the bonus as of such great importance that it would be an unfortunate thing to add to it something which would perhaps invite a veto. The friends of the plan for relieving the veterans were under a very great embarrassment because of the legislative situation.

Furthermore, when the matter came up the other day the Senator from Minnesota [Mr. SHIPSTEAD], in offering the amendment, made no reference to the fact that it was the bonus bill. Unquestionably some Senators failed to realize the significance of his proposal, and in consequence failed to vote for it.

Mr. President, my feeling is that without unnecessary oratory the Senate ought to have a chance to vote upon this measure, to deal with it upon its merits. I hope that will be the attitude of the Senate—that we may take a vote here to see exactly what the sentiment of the Senate is on the question of the bonus, independent of its relationship to any other bill or any other measure.

Mr. COUZENS. Mr. President, I entered an objection previously, and withheld it; but if there is to be no debate on the bill, and there is to be a roll call, I shall not object. The bill cannot be dealt with during the consideration of the calendar by unanimous consent, however, if the subject is to be debated.

Mr. COPELAND. I agree to that fully; and my suggestion is that an immediate vote be taken upon the bill.

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

Mr. BORAH. Mr. President, I have no objection to a vote being taken; but before we agree to take up the bill, I desire to have it understood that we are to have a yea-and-nay vote.

Mr. ROBINSON of Arkansas. Mr. President, I shall object to the consideration of the bill. We had a vote on the bill just a day or two ago.

The PRESIDING OFFICER. The Senator from Arkansas objects.

Mr. COPELAND. I appeal to my leader——

Mr. ROBINSON of Arkansas. Mr. President, I object.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

DR. A. W. PEARSON AND OTHERS

The bill (H.R. 7121) authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians was considered, ordered to a third reading, read the third time, and passed.

MEASUREMENT OF VESSELS USING PANAMA CANAL

The bill (H.R. 7667) to provide for the measurement of vessels using the Panama Canal, and for other purposes, was announced as next in order.

Mr. COPELAND. Let that bill go over.

Mr. GORE. Mr. President, I ask the Senator from New York to withhold his objection to the consideration of this bill.

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

Mr. COPELAND. I do.

Mr. GORE. Mr. President, let me say that this is a House bill. For the fourth time the measure has passed the House. Its passage has been recommended by every Secretary of War since the Panama Canal was opened. It is strongly urged by the present Governor of the Panama Canal Zone, Governor Schley. It is strongly urged by President Roose-

velt in a letter to the chairman of the House committee and in a letter to myself as chairman of the Senate committee.

The bill reduces the existing tolls. It places the Panama Canal tolls on the basis of the net vessel tonnage of earning capacity instead of net registered tons.

Let me use this illustration: The *Empress of Britain* today, when she passes through the Suez Canal, pays $30,700 per transit. When the same vessel passes through the Panama Canal she pays less than $19,000. One reason for the reduced payment in passing through the Panama Canal is the fact that she converted a cloakroom into a cabin and thus reduced payments made to the Panama Canal authorities.

The Secretary of War has written a letter, which I have here, giving the assurance that he will fix the tolls not in excess of 90 cents per ton. Under the existing situation the ships of every government on the seas pass through the Panama Canal at a less charge than vessels of the United States, excepting only those of Japan, and her vessels are small. Therefore her charge is equal to our own.

Every consideration pleads for the passage of this measure; and there can be no substantial objection to it, except there have been perhaps some ship concerns that have entertained an unjustified fear that it might militate against them.

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

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

Mr. GORE. Yes.

Mr. ROBINSON of Arkansas. Mr. President, I have made some investigation of this bill. I am convinced that it is a meritorious measure and I hope it may receive consideration.

Mr. GORE. I hope Senators will not object.

Mr. COPELAND. Mr. President, I served as a member of the subcommittee of the Committee on Commerce which made an investigation of the Panama tolls. In the first place, it was a strange procedure that this bill was sent to the Committee on Interoceanic Canals rather than to the Committee on Commerce, because there is a very important relationship between the welfare of the American merchant marine and the charges on the Panama Canal.

This bill may be all right, but the bill which was presented to us 2 years ago was in the interest of the tankers and the Standard Oil Co. outfit and to the disadvantage of the American merchant marine. Perhaps I am not competent to pass on the matter, but it is so important that we cannot settle it during the consideration of unobjected bills on the calendar, and I am constrained to object.

The PRESIDING OFFICER. The Senator from New York objects.

Mr. GORE. Mr. President, I desire to give notice at this time that I shall move to take up the bill at the first opportunity.

The PRESIDING OFFICER. The bill will be passed over.

W. B. FORD

The Senate proceeded to consider the bill (H.R. 2419) for the relief of W. B. Ford, which had been reported by the Committee on Claims with an amendment, on page 1, line 6, to strike out "$2,000" and to insert in lieu thereof "$1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the Government, the sum of $1,000 to W. B. Ford, injured in the performance of his duties while postmaster at Oskaloosa, Kans.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

The bill was read the third time and passed.

MASSACHUSETTS BONDING & INSURANCE CO.

The bill (H.R. 4838) for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts, was considered, ordered to a third reading, read the third time, and passed.

HAROLD E. SEAVEY

The bill (S. 2489) for the relief of Harold E. Seavey was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, directed to pay to Harold E. Seavey, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $150 for damages to the household effects sustained by the said Harold E. Seavey in the storm and seas of January 27–28, 1933, at the Cuckolds Light Station at Newagen, Maine.

MRS. GEORGE LOGAN AND OTHERS

The bill (H.R. 2416) for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM T. ROCHE

The bill (H.R. 6696) for the relief of William T. Roche was considered, ordered to a third reading, read the third time, and passed.

Mr. KING. Mr. President, I would like to have an explanation of this bill. I was just wondering what the obligation of the Government is with respect to rural carriers. I will not object, but I reserve the right to move to reconsider the vote by which the bill was passed.

The PRESIDING OFFICER. The Senator has that right.

J. B. HUDSON

The bill (H.R. 7230) for the relief of J. B. Hudson was considered, ordered to a third reading, read the third time, and passed.

JOHN W. ADAIR

The bill (H.R. 7272) for the relief of John W. Adair was considered, ordered to a third reading, read the third time, and passed.

DALLAS COUNTY CHAPTER, AMERICAN RED CROSS

The bill (H.R. 7953) for the relief of the Dallas County Chapter of the American Red Cross was considered, ordered to a third reading, read the third time, and passed.

YELLOW DRIVURSELF CO.

The bill (S. 3469) for the relief of the Yellow Drivurself Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the 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 E. C. Matthews, Karl Matthews, and C. G. Matthews, all of Chattanooga, Tenn., a partnership trading as the Yellow Drivurself Co., the sum of $512. Such sum represents the amount of a claim against the United States under contract no. W6145qm–4, entered into October 28, 1930, in good faith, by such Yellow Drivurself Co. and the constructing quartermaster at Fort Oglethorpe, Ga., for the War Department. Such company furnished a car as specified in such contract, but the Comptroller General was unable to allow the payment of any claim for rental under such contract because such expenditure was not specifically authorized by law, as required by section 5 of the Legislative, Executive, and Judicial Appropriation Act of July 16, 1914 (U.S.C., title 5, sec. 78).

BILL PASSED OVER

The bill (S. 3748) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes, was announced as next in order.

Mr. LEWIS. Mr. President, in view of the absence of my colleague [Mr. DIETERICH], who is interested in this bill, and

of the Senator from Ohio [Mr. BULKLEY], likewise interested in it, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

EMMA R. H. TAGGART

The bill (H.R. 2326) for the relief of Emma R. H. Taggart was announced as next in order.

Mr. KING. Mr. President, I should like to inquire whether it is the rule prevailing in the Government, if the Senator from Texas will advise us, to pay 1 year's salary to the widow of an employee?

Mr. CONNALLY. I do not know just what the practice is at the present time. This has been the custom for many years. I do not know what it is just at the moment. The committee looked into the matter and recommended the passage of the bill.

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

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

BERNARD M'SHANE

The Senate proceeded to consider the bill (H.R. 434) for the relief of Bernard McShane, which had been reported from the Committee on Claims with an amendment, on page 1, line 4, after the word "pay", to insert the words "out of any money in the Treasury not otherwise appropriated", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard McShane, of Sacramento, Calif., the sum of $861.33 in full settlement of all claims against the Government of the United States, the same being an amount due him with interest from November 2, 1923, by the Post Office Department, as a balance of an amount of $1,400 reward for services rendered as chief of police, Sacramento, Calif., in connection with the arrest and conviction of Roy G. Garner, charged with hold-up and robbery of the Southern Pacific train no. 20, between Roseville and Newcastle, Calif., on May 20, 1921: *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 agent, attorneys or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

The bill was read the third time, and passed.

PHYSICIANS AND SURGEONS HOSPITAL, LTD.

The bill (H.R. 471) for the relief of Physicians and Surgeons Hospital, Ltd., was considered, ordered to a third reading, read the third time, and passed.

MORRIS SPIRT

The bill (H.R. 529) for the relief of Morris Spirt was considered, ordered to a third reading, read the third time, and passed.

CLARENCE A. WIMLEY

The bill (H.R. 1306) for the relief of Clarence A. Wimley, was considered, ordered to a third reading, read the third time, and passed.

JOHN PARKER CLARK, SR.

The bill (H.R. 1308) for the relief of John Parker Clark, Sr., was considered, ordered to a third reading, read the third time, and passed.

JOHN PARKER CLARK, JR.

The bill (H.R. 1345) for the relief of John Parker Clark, Jr., was considered, ordered to a third reading, read the third time, and passed.

C. V. MASON

The bill (H.R. 1354) for the relief of C. V. Mason was considered, ordered to a third reading, read the third time, and passed.

MICHAEL PETRUCELLI

The bill (H.R. 1792) for the relief of Michael Petrucelli, was considered, ordered to a third reading, read the third time, and passed.

JEANIE G. LYLES

The bill (H.R. 2038) for the relief of Jeanie G. Lyles, was considered, ordered to a third reading, read the third time, and passed.

GUSTAV WELHOELTER

The bill (H.R. 3791) for the relief of Gustav Welhoelter, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM J. KENELY

The bill (H.R. 5584) for the relief of William J. Kenely, was considered, ordered to a third reading, read the third time, and passed.

OSWALD H. HALFORD AND OTHERS

The bill (H.R. 7816) for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress, was announced as next in order.

Mr. VANDENBERG. Let that go over.

Mr. STEPHENS. Mr. President, will not the Senator withhold his objection?

Mr. VANDENBERG. I withhold the objection. I understand the War Department reports against the bill; is that correct?

Mr. STEPHENS. Mr. President, I do not think there is any opposition on the part of the War Department to the bill. The former Secretary of War, Patrick H. Hurley, simply stated, "I trust the foregoing will furnish the committee the desired information."

Secretary Weeks did at one time interpose an objection to a similar bill. I should like to take just a moment to explain the measure.

Mr. KING. Mr. President, I notice that Secretary Hurley stated that he did not recommend the bill.

Mr. STEPHENS. I did not understand the Senator.

Mr. KING. On page 4 of the report it is shown that the Secretary of War said:

Careful consideration has been given to these bills, and an expression of opinion regarding the merits of House bill 993 is contained in the enclosed copy of the letter from this Department, dated March 28, 1924, to the Chairman Committee on Claims.

Mr. STEPHENS. Mr. President, I should like to say a word or two in regard to this matter.

There were 11 of these young men who were in the military service. They were informed that within about 10 days they would have to go across to France. Without leave, they went to see their relatives. In a very few days they returned voluntarily. They served during the war. All of them save one were promoted. Each one received an honorable discharge. Each one made a very splendid soldier.

There are recommendations here from the officers who were directly over these men. I can cite three lettes, but I shall call attention to only one, a letter from Col. William C. O'Ferrall, Field Artillery, United States Army.

Of course, in leaving as they did, these young men breached their duty; but, as I have said, they simply went home to bid good-bye to their relatives and friends, and they returned voluntarily. Each one rendered good service, each one received an honorable discharge, and, as I have already said, all save one were promoted during the period of the war.

The only thing this bill provides is that these young men shall be allowed to receive what was due them from the Government, the amount that was withheld, what they were not paid because of this action.

It does seem to me that, under these circumstances, this bill should be passed, and that these men should be allowed to receive what was due them from the Government. I hope objection will not be made.

Mr. KING. Mr. President, let me ask the Senator, were they not courtmartialed and sentenced to 2 years?

Mr. STEPHENS. They were, but the sentences were suspended.

Mr. VANDENBERG. I withdraw the objection.

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

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

RALPH LAVERN WALKER

The bill (H.R. 7893) for the relief of Ralph LaVern Walker, was considered, ordered to a third reading, read the third time, and passed.

HEIRS OF C. K. BOWEN, DECEASED

The bill (H.R. 8328) for the relief of the heirs of C. K. Bowen, deceased, was announced as next in order.

Mr. KING. Let the bill be read.

The bill was read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Mary E. Christenson, Houston, Tex.; Mrs. F. N. Heiman, Seabrook, Tex.; Mrs. A. B. Christenson, Burbank, Calif.; and C. K. Bowen, Burbank, Calif.; heirs of C. K. Bowen, deceased, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $450.50, for damages sustained by the said heirs of the said C. K. Bowen, deceased, who lost his life during the hurricane of September 9, 1900, when the light station at Halfmoon Shoal, Tex., was demolished, and the said C. K. Bowen, deceased, was drowned, as shown by Public Document No. 103 of the Fifty-seventh Congress, first session, dated December 7, 1901: *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 PRESIDING OFFICER. Is there objection to the consideration of the bill?

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

AMENDMENT OF BANKING ACT OF 1933

Mr. FLETCHER. Mr. President, may I inquire regarding Order of Business 1360, being the bill (S. 3748) to amend the Banking Act of 1933? I was called out of the room at the time that was reached, and I should like to know what disposition was made of it.

The PRESIDING OFFICER. The Chair will say to the Senator from Florida that Senate bill 3748 was passed over at the request of the Senator from Illinois [Mr. LEWIS], due to the absence of his colleague [Mr. DIETERICH].

Mr. FLETCHER. I hope the bill may be passed. It is a very important bill, and is recommended by the Secretary of the Treasury and by the Comptroller, and reported unanimously by the Committee on Banking and Currency of the Senate.

Mr. KING. Mr. President, I call for the regular order.

Mr. FESS. Mr. President, does the Senator from Florida refer to the bill to amend the Federal Reserve Act?

Mr. FLETCHER. Yes.

Mr. FESS. It is quite a long bill, and I was anxious to know just what it provided for.

Mr. FLETCHER. It is quite a long bill. It is what is called an "omnibus bill."

Mr. KING. Regular order!

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

GRAND TETON NATIONAL PARK

The Senate proceeded to consider the bill (S. 3705) to extend the boundaries of the Grand Teton National Park in the State of Wyoming, and for other purposes.

Mr. CAREY. Mr. President, I offer several amendments which I ask to have stated.

The PRESIDING OFFICER. The amendments of the Senator from Wyoming [Mr. CAREY] will be stated.

The CHIEF CLERK. It is proposed on page 10, line 25, after the period to insert the following new sentence: "Persons residing in the county of Teton and persons residing within such park, as its boundaries are now defined and as they are extended by this act, on lands privately owned shall have free right of ingress and egress to and from such park"; on page 12, beginning with line 5, to strike out down to and including line 2, on page 13; and on page 13, line 9, to strike out "9" and insert "8."

Mr. KING. I should like to inquire of the Senator from Wyoming whether the bill has the approval of his colleague? My recollection is that Senator Kendrick, during his lifetime, when this measure or one similar to it was under consideration, had a great deal of objection to its terms. I was wondering if the objections which then existed have been taken cognizance of and provision made to meet them in the pending bill?

Mr. CAREY. Mr. President, I had the same objections to the bill as did my late colleague, Senator KENDRICK. This bill represents a compromise between various parties and factions, and is a bill to settle a dispute of many years' standing. Under the bill there will be given to the United States about one and one-half million dollars worth of land which has been purchased by Mr. Rockefeller. I think the bill is so written that it satisfies most people. Of course there are some who would object to the bill, but the Governor of Wyoming and my present colleague, I know, are both favorable to the passage of the bill, as I am.

Mr. WALSH. Mr. President, I should like to inquire what expense is involved to the Federal Government?

Mr. CAREY. There is no expense involved to the Federal Government.

Mr. WALSH. I understand Mr. Rockefeller has given this large area of land.

Mr. CAREY. Mr. Rockefeller has given it to the Government.

Mr. WALSH. Does the Interior Department favor the bill?

Mr. CAREY. We have not had a report from the Interior Department, but the bill has been worked out with the National Parks Service.

Mr. WALSH. I understood the President had stated he was opposed to the acquisition by the Federal Government of any more land for park or other purposes. I wondered what the attitude of the Interior Department was with regard to the measure, inasmuch as the land was given to the Government.

Mr. CAREY. I think the Department is favorable. We have not had a report from the Department.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Wyoming [Mr. CAREY].

The amendments were agreed to.

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

Be it enacted, etc., That the north, east, and south boundaries of the Grand Teton National Park, in the State of Wyoming, are hereby extended by the addition of the land as hereinafter described:

Beginning on the present western boundary line of the Grand Teton National Park at a point where the hydrographic divide between Webb Canyon and Moran Canyon intersects the hydrographic divide of the Teton Mountains (within what will probably be when surveyed section 1, township 45 north, range 117 west, sixth principal meridian); thence northerly and northeasterly along the divide formed by the crest of the Teton Range to the projected position of what will be when surveyed the line between sections 4 and 5, township 47 north, range 116 west; thence southerly along the section line between sections 4 and 5, 8, and 9, to the point for the corner of sections 8, 9, 16, and 17; thence east along the line between sections 9 and 16, 10 and 15, 11 and 14, 12 and 13, township 47 north, range 116 west, sections 7 and 18, 8 and 17, 9 and 16, to the point for the corner of sections 9, 10, 15, and 16, township 47 north, range 115 west; thence south along the line between sections 15 and 16, 21 and 22, 27 and 28, to the point for the corner of sections 27, 28, 33, and 34; thence east along the line between sections 27 and 34, 26 and 35, to the point

for the corner of sections 25, 26, 35, and 36; thence south along the line between sections 35 and 36, township 47 north, range 115 west, sections 1 and 2, 11 and 12, 13 and 14, 23 and 24, to the corner of sections 23, 24, 25, and 26; thence east along the line between sections 24 and 25, township 46 north, range 115 west, sections 19 and 30, 20 and 29, 21 and 28, 22 and 27, 23 and 26, 24 and 25, township 46 north, range 114 west, sections 19 and 30, to the point for the quarter section corner of sections 19 and 30; thence south along the meridional quarter section line of unsurveyed sections 30 and 31, township 46 north, range 113 west, and surveyed sections 6, 7, 18, 19, and 30, township 45 north, range 113 west, to the present boundary of the Teton National Forest; thence easterly, southerly, and southwesterly along the Teton National Forest boundary to the corner of sections 26, 27, 34, and 35, township 41 north, range 116 west; thence west along the line between sections 27 and 34 to the city limits of the town of Jackson; thence following the city limits of Jackson, northerly and westerly to the section line between sections 27 and 28; thence north on the section line between sections 27 and 28 to the quarter section corner between sections 27 and 28; thence west one-fourth mile; thence north one-half mile to the east sixteenth section corner between sections 21 and 28; thence north three-fourths mile; thence east one-fourth mile to the north sixteenth section corner between sections 21 and 22; thence north on the line between sections 21 and 22, 15 and 16 to the corner of sections 9, 10, 15, and 16; thence east on the line between sections 10 and 15 to the quarter corner between sections 10 and 15; thence north one-fourth mile; thence east one-fourth mile; thence north one-half mile; thence east one-fourth mile to the north sixteenth section corner between sections 10 and 11; thence north on the line between sections 10 and 11, 2 and 3, to the corner of sections 34 and 35, township 42 north, range 116 west and sections 2 and 3, township 41 north, range 116 west; thence west along the township line between townships 41 and 42 north to the quarter section corner between section 3, township 41 north, range 116 west, and section 34, township 42 north, range 116 west; thence northerly on the meridional quarter section line of section 34 to the north bank of the Gros Ventre River; thence northeasterly along the north bank of the Gros Ventre River to the line between sections 34 and 35; thence north on the line between sections 34 and 35, 26 and 27, 22 and 23, 14 and 15, to the quarter section corner of said sections 14 and 15; thence west one-fourth mile; thence north one-fourth mile; thence west one-fourth mile; thence north one-fourth mile to the quarter section corner of sections 10 and 15; thence east one-fourth mile; thence north one-fourth mile; thence east one-fourth mile to the south sixteenth section corner between sections 10 and 11; thence northerly on the line between said sections 10 and 11 to the north sixteenth section corner between said sections 10 and 11; thence east one-fourth mile; thence north one-fourth mile to the west sixteenth section corner of sections 2 and 11; thence in a straight line to the northwest corner of section 1, township 42 north, range 116 west; thence west on the line between townships 42 and 43 north to the present boundary of the Grand Teton National Park; thence northerly along the east boundary and southwesterly along the north boundary of the Grand Teton National Park to the place of beginning; also a tract embracing the following lands: Section 4, northwest quarter, northwest quarter southwest quarter, west half northeast quarter; section 5, north half, north half south half; section 6, north half, north half south half, township 42 north, range 116 west, sixth principal meridian, and all the lands within the extended boundary limits as above described, including lands heretofore reserved as national forests, shall be, and the same are hereby, made a part of the Grand Teton National Park subject to all laws and regulations now or hereafter made applicable thereto or for the government of said park, and subject to all valid existing claims, locations, entries, or applications under the laws of the United States or of the State of Wyoming, whether for homestead, mineral, right-of-way, or any other purposes whatsoever, and subject to the right of any such claimant, locator, entryman, or applicant to the full use and enjoyment of his land or rights: *Provided*, That nothing herein contained shall affect any existing reclamation project under the Federal reclamation laws situated within the above-described boundaries, or the jurisdiction of the Bureau of Reclamation in connection therewith, except that the level of the Jackson Lake Reservoir shall not be increased beyond its present high-water mark unless expressly authorized by Congress: *Provided further*, That the Secretary of the Interior may grant leases for the use of land for the accommodation of visitors in such park under the authority contained in the act entitled "An act to establish a National Park Service, and for other purposes", approved August 25, 1916, as amended; but in the area included within the boundaries of such park lying north of the southern boundary of township 42 north, sixth principal meridian, no such lease shall be granted, nor shall the Secretary of the Interior acquire any property subject to any lease, permitting the erection of any building, structure, improvement, or other facility for hotel, lodge, camp, store, restaurant, or other similar purposes, except that any lease with respect to any property acquired by the Secretary of the Interior pursuant to this act existing at the time of such acquisition and permitting the use or operation of any building, structure, improvement, or facility existing on June 1, 1934, for the accommodation of visitors may be continued in force until January 1, 1945: *And provided further*, That guest ranches now located within the area hereby added to the park may be permitted to operate within said park under such authority and regulations as may be deemed appropriate by the Secretary of the Interior.

SEC. 2. The Secretary of Agriculture is authorized and directed to designate and set aside in the Teton National Forest a strip of land 1 mile wide extending from the northern boundary of the Grand Teton National Park to the southern boundary of the Yellowstone National Park, for the purpose of the construction and maintenance as provided in this section of a park road between such national parks. The Secretary of the Interior is authorized and directed to construct and maintain such road and to prescribe and enforce such rules and regulations as may be necessary to protect and preserve the roadway from unsightly structures. No leases or permits shall be granted in the strip of land so designated and set aside; but nothing in this section shall be construed as terminating or preventing the renewal of any existing leases within such strip of land.

SEC. 3. The Secretary of the Interior is hereby authorized, in his discretion, to accept in behalf of the United States, donations of land, interests in land, and such other property and moneys for the purposes of said Grand Teton National Park as may in his judgment be desirable in the administration of said park, the title and evidence of title to lands and interest therein to be satisfactory to the Secretary of the Interior: *Provided*, That State lands within the above-mentioned park extension may be exchanged for unappropriated public lands outside said park in the State of Wyoming, on a basis of equal values, under regulations approved by the Secretary of the Interior providing for joint representation of the State and the United States for the purpose of determining the value of the lands to be exchanged.

SEC. 4. The use of the lands within the enlargement of the Grand Teton National Park herein authorized which lie south of Buffalo Fork, east of the Snake River, and east of the existing main highway running north from the town of Jackson, Wyo., to the present Menors' Ferry bridge, for game management, including the raising of hay for the winter feeding of elk and other wild life, shall be under the administration of the Biological Survey: *Provided*, That the plans and designs for any buildings, structures, and physical improvements erected or constructed by the Biological Survey in the exercise of such administration shall first be submitted to and approved by the Secretary of the Interior.

SEC. 5. In order to compensate the county of Teton, State of Wyoming, for the loss of taxes resulting from the enlargement of the Grand Teton National Park made by this act, the Secretary of the Treasury shall pay to such county, out of moneys received from the operation of the Grand Teton and Yellowstone National Parks, an annual sum over a period of 20 years from the date of enactment of this act, such sum to be computed as follows: (1) During each of the first 10 years of such period, a sum equal to the average annual amount of the taxes levied for all county and school-district purposes during the years 1929 to 1933, both inclusive, on all property included in such enlargement which was privately owned prior to June 1, 1934, and which shall have been transferred to the United States after such date and prior to the year for which such payment is made, such sum not to exceed $25,000 for any one year; and (2) during each of the second 10 years of such period, an amount equal to the amount so paid for the last year of such first 10-year period decreased by 10 percent of such amount for the first year of such second 10-year period and by an additional 10 percent of such amount for each year thereafter. Payments made under this section during the first 10 years of the above 20-year period shall be made upon vouchers duly submitted by the chairman of the Board of County Commissioners of Teton County, and shall be certified by the county clerk of such county and by the Secretary of the Interior. If the receipts from the Grand Teton and Yellowstone National Parks shall not be sufficient in any year of such 20-year period to cover the payment for such year authorized by this section, the amount of any such deficiency shall be cumulated and shall constitute a charge against such receipts for subsequent years until the payments authorized by this section shall have been made in full.

SEC. 6. The enlargement of the Grand Teton National Park made by this act shall not obstruct or interfere with the reasonable and necessary use of the adjoining Teton National Forest or any natural resource thereof; and notwithstanding any other provision of law, the Secretary of Agriculture is authorized to determine and define such rights-of-way over or across such park area for the movement of timber, mineral, or other natural resources to or from such national forest as may be necessary for the proper administration of such national forest. The use of such rights-of-way shall be subject to such reasonable rules and regulations as may be jointly approved and promulgated by the Secretary of the Interior and the Secretary of Agriculture. Owners or occupants of ranch land in the county of Teton engaged in the business of cattle raising thereon shall be entitled to move their cattle in the spring and fall of each year between their respective ranches and summer ranges, across such portions of said park and subject to such reasonable regulations as the Secretary of the Interior may from time to time prescribe, having due regard to the necessity for permitting said cattle to graze in their movement across said park lands. Persons residing in the county of Teton and persons residing within such park, as its boundaries are now defined and as they are extended by this act, on lands privately owned shall have free right of ingress and egress to and from such park. If any lands added to the Grand Teton National Park by this act are occupied under leases or permits heretofore issued or authorized by the Secretary of Agriculture or the Secretary of the Interior, said leases or permits, subject to compliance with all terms and conditions therein set forth, shall be continued in the case of summer homes for a period of 25 years from the date of enactment of this act, and in the case of commercial enterprises,

for a period of 10 years after December 31, 1934: *Provided*, That in the case of any leases or permits for commercial enterprises no enlargment or increase in number of any existing buildings, structures, or other improvements shall be permitted after the date of enactment of this act: *And provided further*, That the termination of any leases or permits in the case of commercial enterprises shall not become effective in any event until the lessees or permittees shall be reimbursed for the reasonable value of the buildings, structures, and improvements erected or made prior to June 1, 1934, on the lands with respect to which such leases or permits were granted.

SEC. 7. The authority granted to the Secretary of the Interior by the Interior Department Appropriation Act for the fiscal year ending June 30, 1932, to incur obligations and enter into contracts for the acquisition of privately owned lands and/or timber within national parks is hereby extended to cover the lands described in section 1: *Provided*, That any appropriations made pursuant to this authorization shall not exceed the cost of lands which may have been, or which may be, purchased and donated to the United States by outside sources.

SEC. 8. The Secretary of the Interior is authorized and directed to issue to Albert W. Gabbey, of Jenny Lake, Wyo., a patent in fee to the following-described lands (comprised in stock-raising homestead entry no. 015468, Evanston land office): The west half of the northeast quarter, the north half of the northwest quarter, and the southeast quarter of the southwest quarter, of section 7, township 44 north, range 115 west, sixth principal meridian.

AMEND THE CIVIL SERVICE RETIREMENT ACT

The bill (S. 2702) to amend the Civil Service Retirement Act of May 29, 1930, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I shall ask the Senator from Kentucky [Mr. LOGAN] or the Senator from Vermont [Mr. GIBSON] to explain the bill. What changes are made in the existing law by the measure under consideration?

Mr. GIBSON. Mr. President, if the bill may go over for the present I shall look it up and give an explanation later.

The PRESIDING OFFICER. The bill will be passed over.

Mr. GIBSON subsequently said: Mr. President, I ask unanimous consent to return to Calendar 1378, Senate bill 2702, and for its immediate consideration.

The PRESIDING OFFICER. The Senator from Vermont asks unanimous consent for immediate consideration of Senate bill 2702. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2702) to amend the Civil Service Retirement Act of May 29, 1930, and for other purposes, which had been reported from the Committee on Civil Service with an amendment to strike out all after the enacting clause and to insert the following:

That subsection (c) of section 12 of the Civil Service Retirement Act of May 29, 1930, as amended (U.S.C., supp. VII, title 5, sec. 702a (c)), is amended to read as follows:

"(c) In case an annuitant shall die without having received in annuities purchased by the employee's contributions as provided in (2) of section 4 of this act an amount equal to the total amount to his credit at time of retirement, the amount remaining to his credit and any accrued annuity shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such annuitant and recorded on his individual account;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such annuitant;

"Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the annuitant, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"In the case of an annuitant who has elected to receive an increased annuity as provided in section 4 of this act, the amount to be paid under the provisions of this subsection shall be only the accrued annuity."

SEC. 2. Subsection (d) of such section 12 (U.S.C., supp. VII, title 5, sec. 702a (d)) is amended to read as follows:

"(d) In case an employee shall die without having attained eligibility for retirement or without having established a valid claim for annuity, the total amount of his deductions with interest thereon shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such employee and recorded on his individual account;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such employee;

"Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person."

SEC. 3. Subsection (e) of such section 12 (U.S.C., supp. VII, title 5, sec. 702a (e)) is amended to read as follows:

"(e) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed $1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of 30 days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person."

SEC. 4. Subsection (f) of such section 12 (U.S.C., supp. VII, title 5, sec. 702a (f)) is amended to read as follows:

"(f) Each employee or annuitant to whom this act applies may, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries to whom shall be paid, upon the death of the employee or annuitant, any sum remaining to his credit (including any accrued annuity) under the provisions of this act."

Mr. KING. Mr. President, I assume the Senator from Vermont intends to make a brief explanation of the terms of the bill.

Mr. GIBSON. Mr. President, under the present plan, it is necessary, when an annuitant dies, to have an administrator appointed, which entails a considerable expense upon the estate of the annuitant. The bill provides that the annuitant may designate to whom payment shall be made. That is the principal feature of the bill. It provides that the annuitant may make designation as to whom the amount due his estate shall be paid.

Mr. KING. I ask the Senator whether it increases the amount to any annuitant as now provided by law?

Mr. GIBSON. It does not.

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

The amendment was agreed to.

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

LILLIAN G. FROST

The bill (S. 574) for the relief of Lillian G. Frost was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Lillian G. Frost, mother of Franklin Blaine Frost, late vice consul and third secretary, Department of State, the sum of $3,500, being 1 year's salary of her deceased son, who died while in the Foreign Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

ALICE M. A. DAMM

The bill (H.R. 5357) for the relief of Alice M. A. Damm was considered, ordered to a third reading, read the third time, and passed.

AWARDS TO OFFICERS AND MEN OF THE COAST GUARD

The bill (S. 3679) to place officers and men of the Coast Guard on the same basis as officers and men of the Navy with respect to Medals of Honor, Distinguished Service Medals, and Navy Crosses was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for all purposes of the act entitled "An act to provide for the award of Medals of Honor, Distinguished Service Medals, and Navy Crosses, and for other purposes", approved February 4, 1919 (U.S.C., title 34, secs. 354–364, inclusive), the naval service of the United States shall be deemed to include the United States Coast Guard.

SEC. 2. For the purposes of such amendments as are made by the foregoing section, sections 6 and 8 of such act of February 4, 1919 (U.S.C., title 34, secs. 359 and 361), shall be deemed to refer to the Secretary of the Treasury, "Pay of the Coast Guards", and the Treasury Department wherever they refer to the Secretary of the Navy, "Pay of the Navy", and the Navy Department, respectively.

PROTECTION OF SEA LIONS IN ALASKAN WATERS

Mr. DILL. Mr. President, earlier in the session Calendar No. 1311, being House bill 8639, was passed over because the Senator from New Jersey [Mr. BARBOUR] was absent and he had asked the Senator from Vermont [Mr. AUSTIN] to

object for him. I have conferred with those Senators, and they have no objection to the bill being taken up. I ask unanimous consent for immediate consideration of that bill.

Mr. KING. I ask that the bill be read.

The PRESIDING OFFICER. The bill will be read.

The bill was read as follows:

Be it enacted, etc., That all acts and parts of acts making it unlawful to kill sea lions, as game animals or otherwise, in the waters of the Territory of Alaska are repealed: *Provided, however*, That the laws concerning game animals in Alaska, except insofar as they relate to sea lions, shall not be affected hereby.

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

There being no objection, the Senate proceeded to consider the bill (H.R. 8639) to repeal certain laws providing for the protection of sea lions in Alaskan waters.

Mr. DILL. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Washington will be stated.

The CHIEF CLERK. It is proposed, on page 1, to strike out lines 6 and 7, as follows: "That the laws concerning game animals in Alaska, except insofar as they relate to sea lions, shall not be affected hereby" and to insert in lieu thereof the following: "sea lions shall not be killed in the waters of Alaska except under such rules and regulations as the Secretary of Commerce may prescribe in order to prevent the extinction of sea lions as a species of interesting sea life in the waters of Alaska."

Mr. ROBINSON of Arkansas. Mr. President, I do not desire to object to the amendment offered by the Senator from Washington [Mr. DILL]. This bill ought to pass. The evidence submitted to the committee shows that the sea lion is a destructive animal; that he has done more to destroy salmon and other valuable fish, as everyone knows, than any other one agency; so there ought not to be objection to the consideration of the bill. The species, of course, ought to be preserved as a curiosity, but the idea of preserving and protecting the most depredatory animal in existence is absurd. There was never any reason for the protection of the sea lion. He destroys the things we wish to conserve.

Mr. COPELAND. Mr. President, when we have a bill like this on the floor it is always disconcerting, because there are such opposing interests. It is a remarkable fact that the State of Oregon, which is more interested in salmon fishing than any other State in our continental United States, protects the sea lion. Scientists dispute that it eats salmon, or that even the kingfish does, which has been at times accused of eating it. But the amendment, as I understand——

Mr. DILL. It would specifically protect them from extinction.

Mr. COPELAND. I withhold my objection, but at the same time I think it is a matter which may be subject to review.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Washington [Mr. DILL].

The amendment was agreed to.

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

The bill was read the third time and passed.

Mr. DILL. I ask that Senate bill 3525 be indefinitely postponed.

The PRESIDING OFFICER. Senate bill 3525 will be indefinitely postponed.

DISPOSITION OF LIGHTHOUSE RESERVATIONS

The bill (S. 3737) authorizing the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to convey to the town of Castine, State of Maine, for public-park purposes, that portion of the Dice Head Lighthouse Reservation, Maine, which is not required for lighthouse purposes, containing about 3 acres and including certain existing structures thereon, but excepting the light tower and a plot of land 100 feet square surrounding the tower, which are to be retained, together with the rights of ingress and egress over the land transferred as may be necessary for maintenance of the automatic light established in the tower. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred and the conditions imposed by section 11 of this act.

SEC. 2. The Secretary of Commerce is hereby authorized to convey to the village of Old Field, State of New York, for public-park purposes, that portion of the Old Field Point Lighthouse Reservation, N.Y., which is no longer required for lighthouse purposes, containing about 7½ acres and including the existing structures thereon. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred and the conditions imposed by section 11 of this act.

SEC. 3. The Secretary of Commerce is hereby authorized to convey to the town of Southold, State of New York, for public-park purposes, that portion of the Horton Point Lighthouse Reservation, State of New York, which is no longer required for lighthouse purposes, containing approximately 8 acres, and the existing structures thereon, reserving unto the United States the rights of ingress and egress over the property so transferred for maintenance of a light established on the premises. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred and the conditions imposed by section 11 of this act.

SEC. 4. The Secretary of Commerce is hereby authorized to convey to the town of Cohasset, State of Massachusetts, for public-roadway purposes, that portion of the Minot's Ledge (Shore) Lighthouse Reservation, Mass., which is not required to be retained for lighthouse purposes, consisting of a strip of land approximately 35 feet in width and 650 feet in length lying adjacent to the present roadway known as "Border Street." The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred to the town, and the conditions imposed by section 11 of this act.

SEC. 5. The Secretary of Commerce is hereby authorized to convey to the State of Wisconsin (Door County Park Commission), for public-park purposes, the Baileys Harbor Range Lighthouse Reservation, Wis., which is no longer required for lighthouse purposes, containing about 30.10 acres and including certain appurtenances. The deed of conveyance shall describe by metes and bounds the land transferred and the conditions imposed by section 11 of this act, and further provide that no part of the land shall be commercialized or otherwise objectionably used.

SEC. 6. The Secretary of Commerce is hereby authorized to convey to the State of Michigan (Department of Conservation), for public-park purposes, Government Island Lighthouse Reservation, otherwise known as "Island No. 6", in the Les Cheneaux group in the north end of Lake Huron, which is no longer required for lighthouse purposes, containing about 214.25 acres. The deed of conveyance shall describe the property transferred and the conditions imposed by section 11 of this act.

SEC. 7. The Secretary of Commerce is hereby authorized to reconvey to the State of Delaware (State highway department) the abandoned Delaware Breakwater Range Rear Lighthouse Reservation, State of Delaware, comprising about 10 acres in extent (660 feet square), which is no longer required for lighthouse purposes and may not be utilized for any other purpose by the United States.

SEC. 8. The Secretary of Commerce is hereby authorized to convey to the State of Florida, for public-roadway purposes, that portion of the Crooked River Range Lighthouse Reservation, State of Florida, which is not required for lighthouse purposes, consisting of a strip of land approximately 66 feet in width and 500 feet in length, near the southern boundary of the reservation. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred to the State, and the conditions imposed by section 11 of this act.

SEC. 9. The Secretary of Commerce is hereby authorized to transfer to the Department of Agriculture, for use by the Bureau of Biological Survey, the Hilton Head Lighthouse Reservation, situated on Hilton Head Island, S.C., which is no longer required for lighthouse purposes, comprising a total area of approximately 90.52 acres.

SEC. 10. The Secretary of Commerce is hereby authorized to transfer to the War Department, for military purposes, the Bolivar Point Lighthouse Reservation, State of Texas, which is no longer required for lighthouse purposes, comprising an area of about 2 acres, together with several buildings thereon formerly used for lighthouse purposes.

SEC. 11. Each conveyance authorized by sections 1 to 8, inclusive, shall be subject to the express condition that the grantee assume the obligations imposed by such sections, including carrying out the purposes of the grant. The Secretary of Commerce may at any time, by letter addressed to its chief executive officer or officers, notify any such grantee which has not begun to perform or has ceased to perform any such obligation that the property so conveyed will revert to the United States; and if such grantee does not begin or resume the performance of such obligation within a period of 6 months from the date of such notice, such property shall, upon the expiration of such period revert to the United States without further notice or demand or any suit or proceeding. The United States reserves the right to resume ownership, possession, and control, for Government purposes, of any of the property so conveyed, at any time and without the consent of the grantee.

GOVERNMENT LAND AT WOODS HOLE, MASS.

The bill (H.R. 6622) authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass., was considered, ordered to a third reading, read the third time and passed.

VESSEL FOR RESEARCH WORK IN OCEAN FISHERIES

The bill (H.R. 8930) to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries, was announced as next in order.

Mr. KING. I ask that that bill go over, Mr. President.

Mr. SMITH. Mr. President, I should like to have the Senator withhold his objection, because this is a matter of great importance.

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

Mr. KING. I withhold it, but not with any very great alacrity. I will withhold it for an explanation; but I want to call the Senator's attention to the fact that we have now hundreds of vessels that might be made available for the purposes contemplated by this bill, and yet the bill calls for an appropriation of $500,000.

Mr. SMITH. Mr. President, the situation is this: The Department of Commerce has made a statement before the committee that they had heretofore asked to have certain vessels allocated to them, but they were totally unfitted for the work contemplated. They are left absolutely helpless in performing a work that is essential; that is, to find out, as they have developed a means of finding out, the probable location and quantity of different fishes which are propagated in the northern seas. Those waters are the most prolific source of our food fish. This is a matter of vital importance. Anyone reading the report would not catch its full significance or the necessity for the Bureau of Fisheries to be equipped with a proper vessel to do the work which they are supposed to do but which they cannot do. The vessels which they have are not of the character designed for this work and are not of the character of vessels which other countries have for the same purpose. Therefore, they are handicapped, and it is essential that they should have this ship. It seems to me that we should authorize them either to purchase or to construct a vessel which is suitable for their purpose, particularly in view of the fact that more than $50,000,000 is involved in these fisheries.

I think the Senator from Utah ought to be reminded of the fact that this great department would not come here and ask for an appropriation or an authorization if the matter were not of vital importance to the well-being of the people to whom it is essential that fish from this source be supplied.

Mr. ROBINSON of Arkansas. Mr. President——

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

Mr. SMITH. I yield.

Mr. ROBINSON of Arkansas. I desire to support the statement made by the Senator from South Carolina. The ocean fisheries have become of great economic value, and we have now no ship that is available and properly equipped for the service for which the vessel provided by this bill is desired. I think the bill ought to receive consideration, and hope the Senator from Utah may find it consistent to withdraw his objection and allow the bill to pass.

Mr. WALSH. Mr. President——

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

Mr. SMITH. Yes.

Mr. WALSH. Mr. President, I want thoroughly to endorse what has been said, both by the Senator from South Carolina and the Senator from Arkansas. It is most important that scientific knowledge be obtained as to the movement of the fish. Much time, energy, and effort will be saved and the consumer will be helped by making fish cheaper if the fisherman can go direct to the fields where the fish are at particular seasons of the year.

I understand the objection of the Senator from Utah is to the large amount of money proposed to be appropriated.

Mr. KING. Exactly.

Mr. WALSH. I appreciate his viewpoint in that regard, but I think this amount can be arranged to be taken from appropriations for public works under the authority given the President.

Mr. ROBINSON of Arkansas. Whether that can be done or not is a question that cannot be settled in connection with the consideration of this bill, but it is important that the ship contemplated by the bill shall be authorized, and it is important that the equipment which is necessary for the ship also be authorized.

Mr. WALSH. The Senator is exactly correct.

Mr. ROBINSON of Arkansas. Our practice has been to wait until fish and game are almost destroyed before taking steps to conserve them. This ship if provided will serve a very useful, very helpful purpose.

Mr. WALSH. And other countries have already taken this step.

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

Mr. KING. Mr. President, in view of the heavy battery of most eminent Senators brought against me, of course, it is obvious that a man who lives in a section remote from the ocean cannot withstand the powerful discharge of their artillery. I may say, however, Mr. President, that I do not agree with all that these estimable Senators have said. Norway, Sweden, Denmark, Great Britain, and Japan, and other nations bordering upon the ocean have made their explorations of the great deep for fish and for other purposes, and have submitted a vast amount of information, perhaps in excess of that submitted by the United States, and they have not had the fine ships which it is now sought to provide for our service.

Mr. SMITH. Oh, yes; they have.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. KING. Quite recently; yes.

Mr. ROBINSON of Arkansas. The Senator is making the concession that I hoped he would make.

Mr. KING. Quite recently, yes; because quite recently they, as well as some organizations of the United States, are not satisfied with the more primitive but more effective methods which have been pursued in the past.

I do object to this large appropriation. It is not necessary. It seems to me, with the hundreds and hundreds of vessels we have, any one out of a multitude would be effective for this purpose. We appropriated $18,000,000, as I recall, a few years ago for vessels for the prohibition service. They could not take the hundreds of craft which the Government owned, but we had to authorize the building of new ships.

Every little department of the Government that conceives it ought to have a vessel or some other craft to accomplish the task assigned to it comes to Congress and gets an appropriation, regardless of the fact that we have millions of dollars' worth of ships that would be of equal service for the discharge of the duty. I shall withdraw the objection, but I shall vote against the bill.

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

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

Mr. WALSH. Mr. President, in connection with House bill 8930, just passed, I ask unanimous consent to have printed in the RECORD the excellent report thereon submitted by the Committee on Commerce.

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

[S.Rept. No. 1293, 73d Cong. 2d Sess.]

RESEARCH VESSEL FOR THE BUREAU OF FISHERIES

Mr. STEPHENS, from the Committee on Commerce, submitted the following report (to accompany H.R. 8930):

The Committee on Commerce, to whom was referred the bill (H.R. 8930) to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries, having considered the same, report favorably thereon and recommend that the bill do pass without amendment.

The purpose of the proposed legislation is to provide a modern vessel for use in research work with respect to ocean fisheries. Such a vessel is much needed and particularly along the Atlantic coast.

The broad continental shelf of the North Atlantic coast is the most productive area within reach of our fishermen, yielding more than one-third of the total fishery harvest produced in the United States and Alaska. In 1929 the quantity from Maine to Virginia amounted to 1,105,000,000 pounds, valued at more than $52,000,000. These fisheries gave employment to 51,300 persons engaged on vessels and at shore plants directly concerned with the preparation of marine products, as well as an unknown number of persons in supporting industries, such as shipbuilding, marine hardware and supplies, cordage, textile mills, and others.

Most of the ills of the fisheries may be traced to lack of knowledge concerning the fluctuations in abundance of fish. The affairs of the industry cannot be conducted in an orderly and economic manner, if it cannot be told as to the reasonable probabilities in the kind and volume of produce. The situation at present makes for a huge economic waste occasioned by unforeseen gluts and famines. Recent scientific work has proven that the gluts of some of our most important fishes can be foreseen, for, in many cases, they have been proven due to unequal reproductive success and, in others, to changes in hydrographic conditions. In either case suitable data collected by a research vessel could give the clue to impending changes.

As an illustration, the primary cause of the tremendous fluctuation in the abundance of mackerel is the relative success or failure of reproduction, producing unequal numbers of mackerel from the annual spawnings. By measuring the abundance of mackerel of each year's brood as soon as its members are old enough to be caught commercially, and by observing their subsequent decline in abundance, it is possible to estimate the relative number of mackerel present in the sea in any 1 year and the percentage decline that is likely to occur during the following year. By summing up the estimated abundance of each age group of mackerel, the total yield for the coming year can be gaged with considerable accuracy, granting that the same number of vessels operate as were engaged in the fishery in the year on which the estimate was based.

The ability to predict the general trend years in advance is no longer a matter of theory. The Scottish Fisheries Board is able to predict years in advance the general trend of the haddock and cod fisheries. Denmark has done much the same kind of work in the plaice fisheries. The French Government has done a great deal to increase the per-boat capture of their trawlers. France has a great trawler fleet which operates on the Grand Banks, Banquereau, and Greenland. In 1924 the French Government tackled the man-sized job of studying the codfish and its habitat.

Today they are in a position to tell their fishermen where to go to find the codfish. They know months in advance whether or not the Grand Banks of Newfoundland are likely to be productive, or whether Greenland or the Labrador coast bids fair to offer the greatest returns. A research boat accompanies the fleet. Daily reports from the trawlers and studies are made on this vessel, and the fishing fleet directed to what points to go to make catches.

Other nations engaged in this fishery industry are pursuing similar policies, even Egypt having a 148-foot vessel for this work, Ireland a 156-foot vessel, and other nations with such vessels of varying length as will appear in the hearings.

The work of the Bureau of Fisheries requires a vessel about 160 feet in length, driven by a 1,000-horsepower electric motor, powered by four diesel electric generators.

The vessel needed by the Bureau of Fisheries is a hydrographic ship and also one that is able to do commercial fishing. The vessel should be similar to a commercial trawler with great deck space and with space for installing large winches and to hold thousands of fathoms of wire for towing nets on the bottom and a fish hold to store the catch for a time until it can be disposed of. In order to be effective, the fish must be actually caught and with the same tools used by commercial fisheries.

The second thing required is a research vessel so built as to handle the scientific equipment and gear. No vessel has been found so far in the Government service that could do the work required. In order to serve the needs, a vessel especially designed for these purposes must be built. This is the experience of foreign governments uniformly. Virtually all of the foreign research vessels have been built from special designs that are planned for the type of work to be performed.

Great Britain has 5 research vessels, Scotland 3, Ireland 1, Egypt 1, South Africa 1, Norway 2, Sweden 1, Denmark 3, Russia 3, Germany 2, Belgium 1, France 3, Portugal 1, and Japan 1.

The United States has on the Atlantic coast one 85-foot diesel ship, stationed at Booth Bay Harbor, Maine, and used as a tender for the marine fish hatchery at that place. It collects fish eggs and spawning fish, brings them to the hatchery, and distributes the product. It is not suitable for offshore work. The Bureau of Fisheries needs a vessel that is capable of working on the offshore banks extending from North Carolina to the Grand Banks of Newfoundland. Such a vessel will be used at any place where it can be of the best service to the fisheries of the United States.

The only vessels on the Pacific coast consist of 16 vessels somewhat over 30 feet in length used as tenders and patrol boats in Alaska. All of these vessels are fully needed there, and in fact additional patrol boats must be hired at the present time there. None of these vessels are adapted to the work required.

The initial cost of building such a vessel and equipping her with the best scientific equipment would be around $500,000. The annual operating cost would be around $54,000.

SPECIAL STATISTICAL STUDIES BY THE DEPARTMENT OF COMMERCE

The bill (H.R. 9654) to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof and for other purposes, was announced as next in order.

Mr. LA FOLLETTE. Mr. President, I ask that that bill may go over without prejudice, because I wish to prepare an amendment to it.

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

Mr. LA FOLLETTE subsequently said: Mr. President, a few moments ago I asked that Calendar 1385, the bill (H.R. 9654) to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof and for other purposes, be passed over without prejudice in order that I might prepare an amendment. I am now ready to offer the amendment, and I ask unanimous consent to recur to that order of business.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The Senate proceeded to consider the bill.

Mr. LA FOLLETTE. I offer the following amendment: On page 2, after line 21, add a new section as follows:

SEC. 4. This act shall cease to be effective 1 year after the date of its enactment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert a new section at the end of the bill, as follows:

SEC. 4. This act shall cease to be effective 1 year after the date of its enactment.

So as to make the bill read:

Be it enacted, etc., That the Department of Commerce be, and hereby is, authorized, within the discretion of the Secretary of Commerce, upon the written request of any person, firm, or corporation, to make special statistical studies relating to foreign trade, domestic trade, and other economic matters falling within the province of the Department of Commerce; to prepare from its records special statistical compilations; and to furnish transcripts of its studies, tables, and other records, upon the payment of the actual cost of such work by the person, firm, or corporation requesting it.

SEC. 2. All moneys hereafter received by the Department of Commerce in payment of the cost of such work shall be deposited in a special account to be administered under the direction of the Secretary of Commerce. These moneys may be used, in the discretion of the Secretary of Commerce, and notwithstanding any other provision of law, for the ordinary expenses incidental to the work and/or to secure in connection therewith the special services of persons who are neither officers nor employees of the United States.

SEC. 3. The Secretary of Commerce shall prescribe rules and regulations for the enforcement of this act; and the Secretary of Commerce shall make a report to Congress, at the beginning of each regular session, giving a detailed statement showing (1) the name of every person, firm, or corporation for whom work has been performed under the authority of this statute; (2) the nature of the services rendered to him; (3) the price charged for these services by the Department of Commerce; and (4) the manner in which the moneys received were deposited or used.

SEC. 4. This act shall cease to be effective 1 year after the date of its enactment.

Mr. KING. Mr. President, what is the purpose of the bill generally? Will the Senator from Wisconsin inform me?

Mr. LA FOLLETTE. Mr. President, I assume it has the same purpose as a similar bill which was passed relating to the Bureau of Labor Statistics of the Department of Labor. The general purpose of the bill is to permit the Department of Commerce, within the discretion of the Secretary, to accept moneys from private individuals who wish to pay for certain statistical and other types of research work.

As I stated when the bill relating to the Bureau of Labor Statistics was under consideration, I am very doubtful about the public policy of governmental agencies accepting money from private sources for the purpose of conducting specific types of investigation and then having the reports bear the stamp of approval of the Government.

However, there was rather a good showing made so far as concerns the need for work of this kind being conducted at that time. I was perfectly willing to experiment and try out the matter for a year, but insisted there should be some

definite date fixed when the authority should expire and that it should not become an established policy of the Government without our having an experimental period of 1 year to ascertain how it might work. Therefore, consistent with that position, I have offered the same amendment to this bill which I offered, and which was accepted, to the bill relating to the Bureau of Labor Statistics.

Mr. KING. I think the amendment very worthy, but I doubt very much the propriety of the legislation. I know several years ago many of the employees of the Federal Government in the Foreign Service were operating out of the Foreign Service Bureau of the Department of Commerce, and in some instances were in effect representatives of the big interests. The information which they were accumulating and the work which they were doing were too often in the interest of the big corporations, the Steel Corporation and other organizations, which were using our Foreign Trade Service for the advancement of their exports to foreign countries.

Mr. LA FOLLETTE. The bill limits the type of research to statistical research. So far as I am concerned I am willing to try it for 1 year, but I do not like to have such a law placed upon the statute books indefinitely. If the amendment is accepted limiting it to 1 year, and if as an experiment it works out satisfactorily, we can reenact the statute at another session.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

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

The bill was read the third time and passed.

ATLANTIC WORKS, OF BOSTON, MASS.

The Senate proceeded to consider the bill (S. 1601) to carry out the findings of the Court of Claims in the case of the Atlantic Works, of Boston, Mass., which had been reported from the Committee on Claims with amendment, on line 5, after the words " sum of ", to strike out " $133,872.44 " and insert " $22,170.30 ", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $22,170.30 to the Atlantic Works, of Boston, Mass., being the difference between the actual cost of the construction of the revenue cutter *Daniel Manning* and the amount paid under the contract entered into for the building of said vessel, as found by the Court of Claims and reported in Senate Document No. 5, Sixty-eighth Congress, first session.

The amendment was agreed to.

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

BILL PASSED OVER

The bill (H.R. 3130) to extend the benefit of the United States Employment Compensation Act to Frank A. Smith was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

HARRY E. GOOD, ADMINISTRATOR

The bill (H.R. 3243) for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased, was considered, ordered to a third reading, read the third time, and passed.

MARY ORINSKI

The bill (H.R. 3748) for the relief of Mary Orinski was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H.R. 4447) for the relief of Vertner Tate was announced as next in order.

Mr. KING. Unless we may have an explanation, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 5639) for the relief of Harriet V. Schindler was announced as next in order.

Mr. KING. I should like to have an explanation of that bill. I do not have the report here. Let the bill go over.

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

The bill (H.R. 5835) for the relief of Ward L. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce, was announced as next in order.

Mr. McNARY. Mr. President, I think there should be a word of explanation said about that bill.

Mr. KING. I think so, too.

The PRESIDING OFFICER. The bill appears to have been reported by the Senator from North Carolina [Mr. BAILEY], who does not seem to be on the floor at the moment.

Mr. McNARY. Under the circumstances, I ask that the bill be presently passed over without prejudice.

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

WESTERN UNION TELEGRAPH CO.

The bill (H.R. 5947) authorizing adjustment of the claim of the Western Union Telegraph Co. was considered, ordered to a third reading, read the third time, and passed.

MABEL CARVER

The bill (H.R. 6324) for the relief of Mabel Carver was considered, ordered to a third reading, read the third time, and passed.

ST. ANTHONY'S HOSPITAL AT MICHIGAN CITY, IND.

The bill (H.R. 7067) for the relief of St. Anthony's Hospital at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 7292) for the relief of the Boston Store Co., a corporation, Chicago, Ill., was announced as next in order.

Mr. KING. Mr. President, let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

DONALD K. WARNER

The bill (H.R. 7372) for the relief of Donald K. Warner was considered, ordered to a third reading, read the third time, and passed.

ARTHUR A. BURN, SR., AND J. K. RYLAND

The bill (H.R. 7631) for the relief of Arthur A. Burn, Sr., and J. K. Ryland was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 3502) for the relief of the estate of William Bardel was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

HUNTER B. GLASSCOCK

The Senate proceeded to consider the bill (H.R. 3749) for the relief of Hunter B. Glasscock, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, after the article " the ", to strike out " Postmaster General " and insert " Comptroller General of the United States ", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to credit the account of Hunter B. Glasscock, former postmaster at Springton, W.Va., in the sum of $623.60. Such sum represents the amount due the United States on the final auditing of the account of the said Hunter B. Glasscock covering the period from his resignation on July 3, 1931, to December 10, 1931, both dates inclusive, during which period another person was in charge of the post office at Springton, W.Va. By reason of the failure of such person to file a bond he was not, under the postal laws and regulations, duly qualified as acting postmaster, and the said Hunter B. Glasscock is held responsible for the conduct of the post office during such period.

SEC. 2. The surety on the bond of the said Hunter B. Glasscock, as postmaster at Springton, W.Va., is hereby relieved of any liability on account of such shortage.

The amendment was agreed to.

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

The bill was read the third time and passed.

THEODORE W. BELAND

The bill (H.R. 4952) for the relief of Theodore W. Beland was considered, ordered to a third reading, read the third time, and passed.

THOMAS F. OLSEN

The Senate proceeded to consider the bill (H.R. 5400) for the relief of Thomas F. Olsen, which had been reported from the Committee on Claims with an amendment on page 1, line 3, to strike out "Postmaster General" and insert "Comptroller General of the United States", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit in the accounts of Thomas F. Olsen, postmaster at De Kalb, Ill., in the sum of $18,687.19. Such sum represents postal funds in the amount of $136.30 and postage-stamp stock in the amount of $18,550.89, which were lost in the burglary of the post office at De Kalb, Ill., on February 10, 1931, from no fault or negligence on the part of the postmaster.

The amendment was agreed to.

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

The bill was read the third time and passed.

ROCCO D'AMATO

The Senate proceeded to consider the bill (H.R. 7736) for the relief of Rocco D'Amato, which had been reported from the Committee on Claims with an amendment on page 1, line 4, after the name "Rocco D'Amato" to insert "out of any money in the Treasury not otherwise appropriated", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay Rocco D'Amato, out of any money in the Treasury not otherwise appropriated, the sum of $1,000, in full settlement of all claims against the Government of the United States, being the amount of bonds deposited as security to guarantee the production of an alien and filed with the inspector in charge of immigration at New York and later forfeited because of the failure of the bondsman to produce the alien on the date of appearance in compliance with the terms of the delivery bond: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

The bill was read the third time, and passed.

STATE OF NEBRASKA

The Senate proceeded to consider the bill (H.R. 9820) for the relief of the State of Nebraska, which had been reported from the Committee on Claims with an amendment on page 1, line 6, after the word "issue", to strike out "with", and insert "without", so as to make the bill read:

Be it enacted, etc., That notwithstanding the provisions of section 3646, as amended, of the Revised Statutes of the United States, the disbursing clerk of the Department of Agriculture is authorized and directed to issue, without the requirement of an indemnity bond, a duplicate of orginal check numbered 15757, drawn January 17, 1934, in favor of "State treasurer of Nebraska trust fund" for $10,451.12 and lost, stolen, or miscarried in the mails.

The amendment was agreed to.

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

The bill was read the third time and passed.

OSCAR C. OLSON—BILL PASSED OVER

The bill (H.R. 4175) for the relief of Oscar C. Olson, was announced as next in order.

Mr. KING. While the sum involved in the bill is very unimportant, I wonder whether we are to establish the principle of the Government being responsible for the loss of baggage of persons traveling upon foreign ships. That seems to be the principle of the bill.

Mr. GIBSON. Mr. President, may I suggest that the claimant was under military orders, traveling to France, and was on a boat which was torpedoed? He was under orders from his Government to proceed to France during the war. The amount of the claim is small and the committee, after due consideration, thought it should be acted upon favorably.

Mr. KING. Mr. President, may I ask whether it is the policy of the Government to compensate for losses which may be sustained by the multitude of Government employees? We have more than 1,300,000 now on the pay roll. Is it to be the policy of the Government to compensate for losses of baggage and what not while Government employees are traveling?

Mr. GIBSON. I have known of a number of cases where the Government has recompensed officers of the Army who lost their baggage while in the service of their Government.

Mr. KING. I think the policy proposed to be established is absolutely wrong. If we pay the losses of men in the Army, there is no reason why we should not pay the losses of other employees of the Government in the discharge of their duties. I object and ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JERRY O'SHEA

The bill (H.R. 4666) for the relief of Jerry O'Shea was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 4670) for the relief of Lyman D. Drake, Jr., was announced as next in order.

Mr. KING. I have examined the bill hurriedly. I wonder whether the person seeking relief ought not to have gone before the Compensation Board? He claims he received an injury while working upon the Panama Railroad. I am not sure whether that is a Government agency or not. If so, why should he not resort to the instrumentality set up by the Government for the purpose of determining whether he came within its terms, and if so, to what compensation he was entitled?

Mr. GIBSON. Mr. President, the Panama Railroad is a governmental institution. The Government owns 98 percent of its stock. This is an old bill which received favorable consideration at the hands of the House. The committee felt we should pass upon it favorably, but I have no objection if the Senator from Utah desires to offer the amendment he suggests.

Mr. KING. I ask that the bill go over for the purpose of enabling me to prepare an amendment so the matter may be referred to the proper Federal agency which passes upon these claims of Federal employees.

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

F. M. PETERS AND J. T. AKERS

The bill (H.R. 4957) for the relief of F. M. Peters and J. T. Akers was considered, ordered to a third reading, read the third time, and passed.

EDITH L. PEEPS

The bill (H.R. 5031) for the relief of Edith L. Peeps was was considered, ordered to a third reading, read the third time, and passed.

MOSES ISRAEL

The Senate proceeded to consider the bill (H.R. 4793) for the relief of Moses Israel, which had been reported from the Committee on Claims with an amendment on page 1, line 6, to strike out "$3,500" and insert "$2,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Moses Israel, the sum of $2,500 for damages suffered by reason of being struck and injured by a Government automobile which was driven by an employee of the Post Office Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or

receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

The bill was read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 3146) for the relief of John W. Barnum was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN J. CORCORAN

The bill (H.R. 4082) for the relief of John J. Corcoran was considered, ordered to a third reading, read the third time, and passed.

E. E. HALL

The bill (H.R. 4446) for the relief of E. E. Hall was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H.R. 4832) for the relief of Edgar Sampson was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 5109) for the relief of Joe G. Baker was announced as next in order.

Mr. KING. Mr. President, let that go over for the reason heretofore stated, in connection with another bill, that the claim ought to go before the appropriate agency set up by the Government for the consideration of such claim.

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

The bill (H.R. 4395) for the relief of the General Warehousing Co. was announced as next in order.

Mr. McCARRAN. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

LAURA B. CRAMPTON

The bill (H.R. 452) for the relief of Laura B. Crampton was considered, ordered to a third reading, read the third time, and passed.

STELLA E. WHITMORE

The bill (H.R. 8688) for the relief of Stella E. Whitmore was announced as next in order.

Mr. McCARRAN. Mr. President, may we have an explanation of this bill from the Senator making the report?

The PRESIDING OFFICER. This bill was reported by the Senator from Kansas [Mr. CAPPER].

Mr. CAPPER. Mr. President, this bill will simply make it possible for the claimant to collect on four Liberty Bonds of $50 each that were lost. It is now 4 years since they were lost, and the committee is of the opinion that ample time has passed to safeguard the interests of the Government; so it recommends the passage of the bill.

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

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

WILLIAM SHELDON

The bill (H.R. 3606) for the relief of William Sheldon was considered, ordered to a third reading, read the third time, and passed.

FRANK BAGLIONE

The bill (H.R. 7107) for the relief of Frank Baglione was announced as next in order.

Mr. McCARRAN. May we have an explanation of this bill from the Senator making the report?

Mr. WHITE. Mr. President, this is a bill authorizing the payment to Frank Baglione of the sum of $3,500 in full settlement for damages sustained by his infant son.

This injury was to a boy about 5 years old who undertook to cross the street adjacent to a schoolhouse, and was there struck by a Government truck and suffered a fractured skull. The Government authorities, I believe, found that the injury resulted from the excessive speed at which the Government truck was being driven. The boy suffered a fractured skull, and has been subject to frequent and severe headaches and other disabilities which have continued since the accident.

Mr. McCARRAN. I have no objection.

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

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

M. N. LIPINSKI

The bill (H.R. 7264) for the relief of M. N. Lipinski was announced as next in order.

Mr. KING. Mr. President, this bill presents a situation which perhaps calls for some relief; but, if it does, it calls for a censure of the Bureau of Fisheries for their negligence in the dissemination of a poison which it is claimed resulted in the death of certain animals.

It seems to me that we are now called upon to pay for the negligence of the persons who are claimed to have been conducting scientific investigations. They ought to have had sense enough to know that the dissemination of arsenic would result in the death of animals eating the grass where the arsenious oxide was distributed, or drinking the water in which the arsenic had been placed.

Mr. WHITE rose.

Mr. KING. If the Senator wants to defend the Bureau of Fisheries for its negligence, very well; but I think if we pay this claim the officials of the Government who were so negligent ought themselves to be compelled to pay the damages.

Mr. WHITE. Mr. President, I do not know that I want to enter into a defense of the Bureau of Fisheries, although the Bureau of Fisheries in its own behalf insists that what it did was approved by scientists, and there has been some controversy on the part of the Bureau of Fisheries as to whether or not they were in any degree responsible for this damage. It seemed to the committee, however, that the weight of the testimony was to the effect that these cattle were poisoned as the result of these experimental uses of arsenic by the Bureau of Fisheries.

I may say that the loss sustained by the claimant was very considerably in excess of the amount which the House committee and the Senate committee finally agreed upon as proper to be paid under all the circumstances. The bill really represents to some extent an apportionment of the loss.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Michigan?

Mr. WHITE. I yield.

Mr. VANDENBERG. I hope the Senator will take into consideration, after reading yesterday's Tugwell hearings, the fact that science has certain latitude at the present time. [Laughter.]

Mr. WHITE. I do not know that I want to comment on that statement. There was a controversy here as to who was to blame, but the committees of both House and Senate were satisfied that reimbursement ought to be made to this extent.

Mr. KING. Obviously, the Senator or the committee believed the claimant and disbelieved the so-called scientists. Is not that the case?

Mr. WHITE. I believe there was fault on someone's part. It is just a question of degree. This was an experimental use of arsenic. I do not know that the Bureau of Fisheries had any reason at the time to believe that cattle were pastured on the lands adjacent to these waters. They were rearing-pools up in the section of the country referred to in the bill; and, so far as I recall, there was no evidence that cattle had access to the water.

Mr. SHIPSTEAD. Mr. President, the state of facts is that the bureau admits that it used arsenious acid to de-

stroy weeds. This man had rented this land for pasture. Arsenic was found in the animals after they were dead. This is a bill for the relief of the man who suffered the loss, and not a bill to punish the bureau.

Mr. KING. I think probably the man ought to be compensated, but the point I am making is that these negligent officials ought to pay for it.

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

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

ROYCE WELLS

The bill (H.R. 7387) for the relief of Royce Wells was considered, ordered to a third reading, read the third time, and passed.

WILLIAM CHINSKY

The bill (H.R. 7697) for the relief of William Chinsky was considered, ordered to a third reading, read the third time, and passed.

FIRST STATE BANK & TRUST CO., MISSION, TEX.

The bill (H.R. 8727) for the relief of the First State Bank & Trust Co., of Mission, Tex., was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF PUERTO RICO

The joint resolution (H.J.Res. 344) to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution was announced as next in order.

Mr. McCARRAN. Let that go over.

Mr. COPELAND. Mr. President, I hope the Senator from Nevada will not press his objection. Puerto Rico is in so much distress and so unhappy just now over the sugar quota that I think we ought not to disregard this little relief bill.

I hope my friend from Nevada will withdraw his objection to the bill.

Mr. McCARRAN. If I could understand the bill in the short time we have in which to understand it, I might withdraw the objection; but at this time I cannot see my way clear to do so.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

GOVERNMENT OF PUERTO RICO

The bill (H.R. 5330) to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes", was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

ARTHUR SMITH

The bill (H.R. 6350) for the relief of Arthur Smith was considered, ordered to a third reading, read the third time, and passed.

CAMP EAGLE PASS, TEX.

The bill (S. 3121) authorizing the Secretary of War to lease or to sell certain lands and buildings, known as Camp Eagle Pass, Tex., to the city of Eagle Pass, Tex., was announced as next in order.

Mr. SHEPPARD. Mr. President, a similar bill has passed the House, and is No. 1459 on the calendar of the Senate. It is House bill 8728. I ask that it be substituted for the Senate bill, and that the Senate bill be indefinitely postponed.

The PRESIDING OFFICER. The Senator from Texas asks unanimous consent to substitute House bill 8728 for Senate bill 3121. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 8728) authorizing the Secretary of War to lease or sell certain lands and buildings, known as Camp Eagle Pass, Tex., to the city of Eagle Pass, Tex.

Mr. McCARRAN. Mr. President, I ask the Senator from Texas to explain the bill.

Mr. SHEPPARD. Mr. President, this is an abandoned reservation. It has been abandoned for a number of years. The Department has been allowing the city to use it for park purposes, the only purposes for which it is now feasible to use it. This bill merely continues the existing status.

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

The PRESIDING OFFICER. Without objection, Senate bill 3121 will be indefinitely postponed.

CHURCH OF THE GOOD SHEPHERD, MEMPHIS, TENN.

The bill (H.R. 7161) to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn., was considered, ordered to a third reading, read the third time, and passed.

JEANNETTE S. JEWELL

The bill (H.R. 1769) for the relief of Jeannette S. Jewell was announced as next in order.

Mr. McCARRAN. I should like to have an explanation of this bill.

Mr. VANDENBERG. Mr. President, this bill follows the usual custom of allowing 1 year's compensation to the wife of any deceased person who dies as an American consul in the Foreign Service. It is in the regular form.

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

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

ROSEMUND PAULINE LOWRY

The bill (H.R. 7781) for the relief of Rosemund Pauline Lowry was considered, ordered to a third reading, read the third time, and passed.

INDIANS OF KLAMATH INDIAN RESERVATION, OREG.

The Senate proceeded to consider the bill (S. 1508) providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon, which had been reported from the Committee on Indian Affairs with amendments.

The first amendment was, in section 1, page 1, line 4, after the word "within", to strike out "1 year" and insert "2 years"; in line 7, after the word "Indians", to strike out "belonging to" and insert "having rights on"; on page 2, line 1, after the word "Indians", to strike out "belonging to" and insert "having rights on"; in line 12, after the word "Interior", to insert "after due notice and hearing"; and in line 17, after the word "shall", to strike out "after due notice and hearing", so as to make the section read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to prepare, within 2 years after date of the approval of this act, a complete roll of the members of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians having rights on the Klamath Indian Reservation in the State of Oregon who were living on the date of the passage of this act. Upon the completion of such roll it shall constitute the final roll of the members of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians having rights on the Klamath Indian Reservation in the State of Oregon for all purposes, including the distribution of tribal lands, funds, or other property now existing or which may hereafter accrue. In the event of the death of any person whose name appears on the roll herein provided for, his interest in any allotment and in the tribal lands, funds, or other property of such Indians shall descend in accordance with the laws of descent and distribution of the State of Oregon; except that if any such person dies without heirs his interest shall revert to and become a part of the common tribal property. The Secretary of the Interior, after due notice and hearing, may remove from such roll any names which are found to have been placed thereon through fraud or error, and he shall cancel the allotment and trust patent of any person whose name is so removed, whereupon the land covered by such allotment and trust patent shall become a part of the common tribal property.

The amendment was agreed to.

The next amendment was, in section 2, page 3, line 1, to strike out "duly elected business committee" and insert "Tribal Council", so as to make the section read:

SEC. 2. No person whose name appears upon the tribal roll of any other Indian tribe and who is recognized as a member of that tribe shall be enrolled as a member of any tribe or band of

Indians belonging to the Klamath Indian Reservation in the State of Oregon. In case the tribal council of the Klamath Indian Reservation shall question the right of enrollment under this act of any person, they may communicate their objections to such enrollment to the Secretary of the Interior, and no name shall be finally enrolled by said Secretary in such case until he has fully determined said objection.

The amendment was agreed to.

The next amendment was, in section 3, page 3, line 8, after the word "Any", to insert "enrolled"; in line 9, after the word "Indians", to strike out "belonging to" and insert "having rights on"; and in line 19, after the word "prescribe", to insert "in installments not to exceed $300 per annum", so as to make the section read:

SEC. 3. Any enrolled member of the Klamath or Modoc Tribes or the Yahooskin Band of Snake Indians having rights on the Klamath Indian Reservation in the State of Oregon who was living on the date of the closing of the allotment rolls in 1910 but failed to receive an allotment of land, and every person born since that date and living on the date of the passage of this act whose name appears on the final roll herein authorized shall be paid the sum of $1,500 from available tribal funds on deposit in the United States Treasury, under such rules and regulations as the Secretary of the Interior shall prescribe, in installments not to exceed $300 per annum.

The amendment was agreed to.

The next amendment was, in section 4, beginning on page 3, line 20, to strike out the section as printed in the bill and insert a new section, as follows:

SEC. 4. That in making said final roll as herein provided for, the Secretary of the Interior shall exclude therefrom all persons who are of less than one-sixteenth degree of Indian blood, except those who are already enrolled at the Klamath Indian Agency in Oregon.

The amendment was agreed to.

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

WILLARD FAMILY ASSOCIATION TABLET

The Senate proceeded to consider the bill (S. 3528) to grant permission to the Willard Family Association to erect a tablet at Fort Devens, Mass., which was read, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to grant permission to the Willard Family Association to erect an appropriate tablet at Fort Devens, Mass., on the site of the farm formerly owned by Maj. Simon Willard, but the United States shall not be put to any expense in or by the erection thereof.

Mr. WALSH. Mr. President, this is merely a permissive bill, agreed to by the War Department. There will be no expense to the Government.

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

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

ANTHONY J. CONSTANTINO

The Senate proceeded to consider the bill (S. 2539) for the relief of Anthony J. Constantino, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and to insert the following:

That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Anthony J. Constantino, private, Quartermaster Corps, United States Army, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 14th day of July 1919: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

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

WALTER L. RASASCO

The bill (S. 3464) to retire Walter L. Rasasco with rank of second lieutenant, Air Corps, United States Army, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. FLETCHER subsequently said: Mr. President, I ask the Senator from Utah to let Senate bill 3464 be considered. It is a most meritorious case. This man was injured while in the service and while in line of duty. He was run into by an automobile and completely wrecked.

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

Mr. KING. Mr. President, this bill would elevate this man and place him on the retired list. Let me call the Senator's attention to the recommendation of the Secretary of War:

If placed on the retired list of the Army as a second lieutenant under the provisions of S. 3464, the beneficiary thereof would receive retired pay at the rate of $1,125 per annum exclusive of deduction prescribed by the Economy Act.

For the reasons set forth in the foregoing, the War Department is opposed to the enactment of this legislation.

Mr. FLETCHER. Mr. President, that is the usual report the Department makes in cases like this, perhaps. But they want the case adjusted through the Veterans' Administration.

I will say to the Senator that, if this bill were enacted, this man would be just where he would have been if he had not been run over by this automobile or this motorcycle, and injured as he was injured. The retired pay would be about a thousand dollars a year, after deductions were made.

This man cannot possibly perform any more work. He has been operated on 13 times, and has more operations to undergo. He is a complete wreck from injuries received in the service and in line of duty. This bill would simply provide a means for his living of something like $1,000 a year.

Mr. KING. Mr. President, there is no doubt that the man ought to be compensated; but here is the report, and the Senate ought to be advised as to the precedent it is asked to establish:

The War Department is consistently opposed to discriminatory special legislation of this type and can find no justification for the passage of this measure, which contemplates the retirement as a second lieutenant of an individual who never held a commission in the Army. Moreover, the enactment of this legislation would inevitably lead to the presentation of many similar claims for special consideration.

The retirement system of the Army has been provided for the twofold purpose of attracting desirable permanent personnel to the service and of vitalizing the active list. Its maintenance for such purpose is vital to the national defense and should not be jeopardized by its improper use. Obviously, in creating the retired list for officers of the Regular Army, it was not the intent of Congress to utilize retirement as a relief measure for individuals or to place upon such retired list persons other than the permanent commissioned personnel of the Military Establishment.

If the Senator wishes to present a bill to compensate this man for the injuries sustained, I shall be glad to vote for it, but in the light of this recommendation, and the precedent which the bill would establish, I shall object.

Mr. FLETCHER. Mr. President, I should like to have the Senator permit the Chairman of the Committee on Military Affairs to make a statement.

Mr. KING. I shall be glad to support a bill to give the man relief.

Mr. FLETCHER. There is no way in which he can be given relief, except in this way.

Mr. KING. I do not agree with the Senator. It is not a question of the individual; it is a question of principle. The Senator says there is no other way. If the Senator refuses to introduce a bill, I shall prepare one and introduce it to give the man proper compensation.

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

ASSOCIATION OF PRODUCERS OF AQUATIC PRODUCTS

The bill (H.R. 9233) authorizing associations of producers of aquatic products was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

CENSUS OF UNEMPLOYMENT

The bill (H.R. 9391) to provide for a census of unemployment, employment, and occupations, to be taken as of

November 12, 1934, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

POST-OFFICE BUILDING AT FINDLAY, OHIO

The bill (H.R. 8909) to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio, was announced as next in order.

Mr. McCARRAN. Mr. President, may we have an explanation of this measure? There seems to be no report.

Mr. SHEPPARD. Mr. President, my colleague is not in the Chamber at the present time, and I ask that the bill go over without prejudice until he may return.

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

POST OFFICE SITE, SAN ANTONIO, TEX.

The bill (H.R. 8514) authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government property, was considered, ordered to a third reading, read the third time and passed.

MILITARY RESERVATION, MONTEREY, CALIF.

The Senate proceeded to consider the bill (S. 3660) to grant to the city of Monterey, Calif., an easement for street purposes over certain portions of the military reservation at Monterey, Calif., which had been reported from the Committee on Military Affairs with amendments, on page 4, line 5, after the word "reservation", to strike out the words "granted to the city of Monterey, Calif., pursuant to H.R. 10203, March 10, 1926" and to insert in lieu thereof the words "over which an easement was granted by the Secretary of War on July 14, 1926, pursuant to the act approved June 7, 1926 (44 Stat. 699)", and on page 5, line 7, after the word "beginning", to insert a colon and the words "*Provided*, That the Secretary of War is authorized to make such changes in the foregoing description of the three parcels as he deems necessary", so as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized and directed to grant to the city of Monterey, Calif., an easement over certain parcels (to be used in widening Lighthouse Road in such city) of the military reservation at Monterey, Calif., described as follows:

Parcel 1. Beginning at a point on the southwesterly line of Lighthouse Road (sometimes called "Lighthouse Avenue"), distant south 67° 17½′ east, 143.01 feet from the point of intersection of the north line of the United States military reservation, Monterey, Monterey County, Calif., and the southwesterly line of Lighthouse Avenue, said point of intersection being distant south 89° 30′ west, 732.92 feet from a stone monument at the northeast corner of said United States military reservation; and running thence from said point of beginning south 62° 26′ east, 586.6 feet to a point; thence southeasterly (following the arc of a circle whose radius is 400 feet, and the center of which circle bears south 27° 34′ west, 400 feet distant from the last-mentioned point (530.8 feet; thence south 13° 36′ west 568 feet to a point distant north 13° 36′ east, 58 feet from the point of intersection of the south line of said United States military reservation with the west line of said Lighthouse Road; thence north 29° 40′ east, 15.75 feet to a point on said west line of Lighthouse Road; thence along said west line of Lighthouse Road the following courses and distances: North 15° 47′ east, 516.5 feet; thence north 12° 55½′ east, 100 feet; thence north 5° 2½′ east, 100 feet; thence north 7° 12′ west, 100 feet; thence north 26° 9′ west, 100 feet; thence north 45° 29′ west, 100 feet; thence north 60° 26½′ west 71.63 feet; thence north 65° west 639.03 feet to the point of beginning.

Parcel 2. Beginning at a point on the north line of the United States military reservation, Monterey, Monterey County, Calif., distant north 89° 30′ east, 116.34 feet from the point of intersection of said north line of the United States military reservation with the southwesterly line of Lighthouse Avenue, said point of beginning also being distant south 89° 30′ west, 616.58 feet from a stone monument at the northeast corner of said United States military reservation; and running thence from said point of beginning north 89° 30′ east, along said north line of the United States military reservation, 77.9 feet to a point; thence south 62° 26′ east, 238.96 feet to a point on the northwesterly line of that certain part of said United States military reservation over which an easement was granted by the Secretary of War on July 14, 1926, pursuant to the act approved June 7, 1926 (44 Stat. 699); thence south 40° 12′ west, along said northwesterly line of said grant to the city of Monterey, 23.79 feet to a point on the northeasterly line of Lighthouse Road; thence north 65° west, along said northeasterly line of Lighthouse Road 302.75 feet to the point of beginning.

Parcel 3. Beginning at the point of intersection of the northeasterly line of Foam Street with the northeasterly line of Lighthouse Road in the United States military reservation, Monterey, Monterey County, Calif., said point of beginning being the southernmost corner of that certain part of said United States military reservation granted to the city of Monterey, Calif., pursuant to H.R. 10203, March 10, 1926; thence south 65° east, along said northeasterly line of Lighthouse Road, 319.8 feet to a point; thence north 62° 26′ west, 346.6 feet to a point on said northeasterly line of Foam Street; thence south 34° 36′ east, along said northeasterly line of Foam Street, 30.68 feet to the point of beginning: *Provided*, That the Secretary of War is authorized to make such changes in the foregoing description of the three parcels as he deems necessary.

SEC. 2. The easement authorized by this act to be granted shall continue during such period as it shall be used exclusively for street purposes, subject to such conditions, restrictions, and reservations as the Secretary of War may impose for the protection of the military reservation and subject to a right-of-way over such parcels for the use of the United States during the continuance of such easement.

The amendments were agreed to.

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

CONDITION OF AGRICULTURE

The joint resolution (S.J.Res. 124) authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally was announced as next in order.

Mr. VANDENBERG. Mr. President, I ask that this measure be temporarily passed over pending the return to the Chamber of the Senator from Rhode Island [Mr. HEBERT]. He asked that it go over until he could get back.

Mr. WHEELER. Mr. President, let me say to the Senator that the Department of Agriculture has reported favorably on this joint resolution, and I am very anxious that it shall be passed. The National Livestock Association is very much in favor of it, and the National League of Commission Merchants have also gone on record wholeheartedly in favor of the joint resolution.

Mr. McCARRAN. What is its purpose?

Mr. VANDENBERG. Let it go over, without prejudice, until the Senator from Rhode Island shall return. I, myself, have no objection to it.

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

WILLIAM S. STEWART

The bill (H.R. 5122) for the relief of William S. Stewart was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

JULIA E. SMITH

The bill (H.R. 3705) for the relief of Julia E. Smith was considered, ordered to a third reading, read the third time, and passed.

ANTHONY HOGUE

The bill (H.R. 3793) for the relief of Anthony Hogue was announced as next in order.

Mr. KING. Mr. President, with respect to this bill and one or two others which we have passed, I think that some committee, either the Committee on the Judiciary or the Committee on Post Offices and Post Roads, should report a bill fixing a statute of limitations. I notice that claims are presented for accidents alleged to have occurred as far back as 1910. Obviously the Government of the United States cannot protect itself against claims which are hoary with age.

In every city of the United States where the municipality is liable for torts, there is a time limitation. Claimants must present their claims within 3 months, or 6 months, and suits must be brought within 1 year. That is in order that the city may be advised, get its witnesses, and be prepared to defend. But we just make appropriations in such cases, without giving the Government any chance to defend, to determine what are the facts. I think there ought to be a statute which would limit the period within which such

claims could be presented, so that the Government would be fully protected.

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

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

SALE OF POST-OFFICE BUILDING AT FINDLAY, OHIO

Mr. FESS. Mr. President, I ask unanimous consent to return to Order of Business No. 1438, being House bill 8909, and for its immediate consideration.

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

There being no objection the Senate proceeded to consider the bill (H.R. 8909) to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio.

Mr. FESS. Mr. President, the Senator from Texas [Mr. CONNALLY] is now in the Chamber and will explain the necessity for the measure. It merely provides for extending the time. There should certainly be no objection to the bill. The bill has reference to the sale of the post-office building and site at Findlay, Ohio. All that is asked is to have the time extended giving opportunity to sell the old building, the necessity for such extension being due to the failure of one company which was to take the bonds, and which necessitated finding a new market for the bonds.

Mr. CONNALLY. Mr. President, the Committee on Public Buildings and Grounds investigated the matter and reported favorably, because it seemed the most practical way to go ahead and dispose of this property, as I now recall.

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

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

WILLIAM S. STEWART

Mr. WHITE. Mr. President, my attention was distracted and I did not hear what disposition was made of House bill 5122.

The PRESIDING OFFICER. It was passed over.

Mr. WHITE. Mr. President, I ask unanimous consent that we may return to that bill. I did not hear who asked that it go over, so I do not know that I could make any satisfying explanation.

Mr. KING. Mr. President, this was the case where a man was injured in 1912 in Panama. There ought to be some period within which the statute of limitations should run. I shall object for the present.

Mr. WHITE. There is nothing I can say?

Mr. KING. Nothing.

Mr. DAVIS. I ask for the regular order.

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

LYMAN D. DRAKE, JR.

Mr. KING. Mr. President, I objected a few moments ago to House bill 4670. I ask that we may recur to the bill. I withdraw my objection and ask for the passage of the bill.

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

There being no objection, the Senate proceeded to consider the bill (H.R. 4670) for the relief of Lyman D. Drake, Jr., which was ordered to a third reading, read the third time, and passed.

MARY A. ROCKWELL

The bill (H.R. 4387) for the relief of Mary A. Rockwell was announced as next in order.

Mr. McCARRAN. May we have an explanation of the bill?

The PRESIDING OFFICER. The bill seems to have been reported by the Senator from North Carolina [Mr. BAILEY], who is not in the Chamber at present. Is there objection to the present consideration of the bill?

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

JOHN R. NOVAK

The bill (H.R. 6284) for the relief of John R. Novak was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF BANKRUPTCY ACT

Mr. FRAZIER. Mr. President, I ask unanimous consent to return to Calendar No. 1299, Senate bill 3580. I have talked with the Senators who previously objected and they have withdrawn their objections.

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

There being no objection, the Senate proceeded to consider the bill (S. 3580) 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, which had been reported from the Committee on the Judiciary with an amendment.

The PRESIDING OFFICER. The first amendment has been heretofore agreed to. The clerk will state the next amendment.

The next amendment was to insert a new paragraph (7) at the end of the bill, so as to make the bill read:

Be it enacted, etc., That section 75 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, is amended as follows: In section 75, entitled "Agricultural Compositions and Extensions" (a) in line 2, after the words "upon petition of at least" and before the words "farmers within any county", strike out the word "fifteen" and insert the word "five", and after subsection (r) add a new subsection (s) to read as follows:

"(s) Any farmer failing to obtain the acceptance of a majority in number and amount of all creditors whose claims are affected by a composition or extension proposal, or if he feels aggrieved by the composition or extension, may amend his petition or answer asking to be adjudged a bankrupt. Such farmer may at the time of the first hearing petition the court that all of his property, whether pledged, encumbered, or unencumbered by liens or otherwise, be appraised at its then actual value and that his homestead and exemptions be set aside and that he be allowed to retain possession of any part or parcel or all of the remainder of his property and pay for same under the terms and conditions set forth in this act.

"(1) Upon such a request being made in the petition or answer, or at the time of the first hearing, appraisers shall be designated and appointed. Such appraisers shall appraise all the property of the debtor at its then reasonable actual value. The words 'actual value' shall not necessarily imply cash value, but shall imply the reasonable and fair value of the property at the time the appraisal is made. Such appraisers shall be designated and appointed, and their appraisals shall be made in all other respects, with right of objections, exceptions, and appeal in accordance with this act: *Provided*, That in case of real estate either party may file objections, exceptions, and appeals within 1 year from date of order approving the appraisal.

"(2) After the value of the debtor's property shall have been fixed by the appraisal as herein provided, the referee shall issue an order setting aside to such debtor his homestead and exemptions, subject to any existing mortgages or liens upon such homestead or upon any such exemptions to an amount equal to the value, as fixed by the appraisal, of such homestead or to the value of such exempt property as is covered by any mortgage or lien, and shall further order that the possession, under the control of the court, of any part or parcel or all of the remainder of the debtor's property, shall remain in the debtor subject to a general lien, as security for the payment of the value thereof to the trustee of the creditors, if a trustee is appointed, such a lien to be subject to and inferior to all prior liens, pledges, or encumbrances. Such prior liens, pledges, or encumbrances shall remain in full force and effect, and the property covered by such prior liens, pledges, or encumbrances shall be subject to the payment of the claims of the secured creditors holding such prior liens, pledges, or encumbrances up to the actual value of such property as fixed by the appraisal provided for herein. All liens herein on livestock shall cover all increase, and all liens on real property shall cover all rental received or crops grown thereon by the debtor, as security for the payment of any sum that may be due or past due under the terms and provisions of the next paragraph, until the full value of any such particular property has been paid.

"(3) At the time of the order setting aside to the debtor his homestead and exemptions, and giving him possession, under the control of the court, of any part, parcel, or all of the remainder of his property, whether pledged or covered by any prior lien or encumbrance, the debtor shall agree and bind himself that he will pay to the secured creditors, as their interests may appear, and to the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed, the value of the property as fixed by the appraisal together with interest at the

rate of 1 percent per annum on the following terms: Two and one-half percent, together with interest on or before 6 months from date of agreement; 2½ percent, together with interest on or before 12 months; 2½ percent, together with interest on or before 18 months; 2½ percent, together with interest on or before 24 months, and that thereafter he will pay 5 percent principal, together with interest semiannually for the following year and will pay the balance on or before 6 months after the last semiannual payment has been made to the secured creditors, as their interests may appear, and to the trustee of the unsecured creditors, as his interest may appear, if a trustee is appointed.

"(4) The debtors may consume or dispose of any part or parcel or all of said property whether covered by the general lien to the trustee, if a trustee is appointed, or subject to pledges or prior liens or encumbrances held by secured creditors, provided he pays the appraised value of such part or parcel or all, as the case may be, to the secured creditors, as their interests may appear, and the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed, or he may put up a bond approved by the referee in bankruptcy that he will make payments, as provided for herein, of any property so consumed or disposed of.

"(5) In case the debtor fails to make any payments, as herein provided, to any or all of the secured creditors or to the trustee of the unsecured creditors, then such secured creditors or the trustee may proceed to enforce their pledge, lien, or encumbrances in accordance with law. It shall be the duty of the secured creditors and of the trustee of the unsecured creditors to discharge all liens of record in accordance with law, whenever the debtor has paid the appraised value of any part, parcel, or all of his property as herein provided.

"(6) The secured creditors holding prior liens and the trustee of the unsecured creditors holding a general lien hereunder shall have all the rights of such lienholders under existing law except the extension of time and the reduction of the indebtedness to the amount of the appraised value of the debtor's property and such debtor shall be discharged from all his debts, both private and public, as provided for in this act, with the exception of those provided for and agreed to by him in this section.

"(7) In case a majority in number and amount of all the secured and unsecured creditors of the debtor file written objections, at the first hearing, to the manner of payments and distribution of debtor's property as herein provided for, then the court after having set aside the debtor's homestead and exemptions, shall stay all proceedings for a period of 6 years, during which 6 years the debtor shall retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable rental annually for that part of the property of which he retains possession. The first payment of such rental to be made within 6 months of the date of the order staying proceedings, such rental to be distributed among the secured and unsecured creditors, as their interests may appear, under the provisions of this act. At the end of 6 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains possession, less rentals paid: *Provided*, That upon request of any lienholder on real estate the court shall cause a reappraisal of such real estate and the debtor may then pay the reappraised price, less rentals paid, into the court and thereupon the court shall, by an order, turn over full possession and title of said property to the debtor and he shall be discharged from all his debts, both private and public, as hereinbefore provided."

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

The amendment was agreed to.

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

WATER OF MINERAL CONTENT ON FEDERAL LAND

The bill (H.R. 6366) making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government, was considered, ordered to a third reading, read the third time, and passed.

CHARLES FARR

The bill (H.R. 6625) for the relief of Charles Farr was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 7163) for the relief of D. F. Tyler Corporation and the Norfolk Dredging Co. was announced as next in order.

Mr. McCARRAN. Over.

The PRESIDING OFFICER. The bill will be passed over.

THELMA LUCY ROUNDS

The Senate proceeded to consider the bill (H.R. 3636) for the relief of Thelma Lucy Rounds, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, to strike out "$1,500" and to insert in lieu thereof "$270.28", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $270.28 to Thelma Lucy Rounds, Fall River, Mass., in full settlement of all claims against the Government of the United States for injuries received while visiting the U.S.S. *Bridge* at Newport, R.I., on July 12, 1931, when an enlisted man showing visitors a revolver fired a shot through Miss Rounds' leg, causing injuries which resulted in a long period of unemployment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H.R. 8035) for the relief of James M. Pace was announced as next in order.

Mr. McCARRAN. Over.

The PRESIDING OFFICER. The bill will be passed over.

WADE DEAN

The bill (H.R. 740) for the relief of Wade Dean was considered, ordered to a third reading, read the third time, and passed.

SILAS B. LAWRENCE

The bill (H.R. 1133) for the relief of Silas B. Lawrence was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, the claimant under this bill was injured and lost an arm while serving on a posse when two of his companions in the party were killed. I think it is an entirely meritorious bill, and I hope it may be passed.

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

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

AMENDMENT OF DISTRICT ALCOHOLIC BEVERAGE CONTROL ACT

Mr. KING. Mr. President, a few moments ago the Senate passed the bill (H.R. 9622) to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act. The corporation counsel of the District has called my attention to the fact that in the preparation of that bill inadvertently certain of the provisions of the existing law were omitted which are absolutely necessary to have incorporated as a part of the bill. The bill itself provides merely to exempt wholesalers in the District of Columbia from paying a double tax. It was recommended by the officials of the Government. I ask to return to it for the purpose of having inserted in the bill one of the sections of existing law which was inadvertently omitted. I ask unanimous consent to recur to that bill, and for reconsideration of the votes by which the bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection the votes will be reconsidered. The clerk will state the amendment proposed by the Senator from Utah.

The CHIEF CLERK. At the end of section 1, on page 2, after line 5, it is proposed to insert a new paragraph "(1)", so as to make the bill read:

Be it enacted, etc., That subsection (a) of section 23 of the District of Columbia Alcoholic Beverage Control Act is amended so as to read as follows:

"SEC. 23. (a) There shall be levied, collected, and paid on all of the following-named beverages manufactured by a holder of a manufacturer's license and on all of the said beverages imported or brought into the District of Columbia by a holder of a wholesaler's license, except beverages as may be sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this act, and on all beverages imported or brought into the District of Columbia by a holder of a retailer's license, a tax at the following rates to be paid by the licensee in the manner hereinafter provided:"

"(1) A tax of 35 cents on every wine-gallon of wine containing more than 14 percent of alcohol by volume, except champagne,

or any wine artificially carbonated and a proportionate tax of a like rate on all fractional parts of such gallon; (2) a tax of 50 cents on every wine-gallon of champagne or any wine artificially carbonated, and a proportionate tax at a like rate of all fractional parts of such gallon; (3) a tax of 50 cents on every wine-gallon of spirits, and a proportionate tax at a like rate on all fractional parts of such gallon; (4) and a tax of $1.10 on every wine-gallon of alcohol, and a proportionate tax at a like rate on all fractional parts of such gallon."

SEC. 2. That subsection (e) of section 23 be amended by inserting the word "taxable" after the word "upon" in the beginning of the first sentence and by inserting the word "taxable" after the word "upon" in the beginning of the second sentence.

The amendment was agreed to.

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

The bill was read a third time and passed.

ERNEST ELMORE HALL

The bill (H.R. 3176) for the relief of Ernest Elmore Hall was considered, ordered to a third reading, read the third time, and passed.

CARL F. CASTLEBERRY

The bill (H.R. 3296) for the relief of Carl F. Castleberry was considered, ordered to a third reading, read the third time, and passed.

ROLAND ZOLESKY

The bill (H.R. 3912) for the relief of Roland Zolesky was considered, ordered to a third reading, read the third time, and passed.

CARLETON-MACE ENGINEERING CORPORATION

The bill (H.R. 4659) for the relief of Carleton-Mace Engineering Corporation was announced as next in order.

Mr. McCARRAN. Mr. President, I should like to have an explanation of this bill.

Mr. LOGAN. Mr. President, does the Senator object to the consideration of the bill?

Mr. McCARRAN. I have asked for an explanation of the bill.

Mr. LOGAN. Mr. President, this is a bill for the relief of Carleton-Mace Engineering Corporation. It is one of those old claims growing out of contracts made by the Navy Department, as I recall, or the Railroad Administration. The committee to which the bill was referred, of course, went into it most carefully and considered all the recommendations and reports.

It has been before the Bureau of Yards and Docks before and they disallowed the claim. It has also been before the General Accounting Office, and there they could find no authority for paying it. The general conclusion seems to have been as to the loss—and the claim is for the amount of loss incident to carrying on some work in connection with the naval ammunition depot in Massachusetts—that there could be no way to pay it unless Congress should so authorize.

The loss has been ascertained to be $32,726.14. There is no question about the amount. Of course it is a gratuity, but it was a loss sustained in carrying out a contract made with the Government, and, as I recall, while I have not read the report recently, the former Secretary of the Navy considered there was merit in the claim.

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

The PRESIDING OFFICER. The bill will be passed over.

SARD S. REED

The Senate proceeded to consider the bill (H.R. 937) for the relief of Sard S. Reed which had been reported from the Committee on Claims, with an amendment, on page 1, line 3, after the article "the", to strike out "Postmaster General" and insert "Comptroller General of the United States", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of Sard S. Reed, postmaster at Earlsboro, Okla., in the sum of $715.90 on account of the loss of postal and fixed credit funds resulting from the burglary of the Earlsboro post office on May 1, 1927: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

The bill was read the third time and passed.

JEANNETTE WEIR

The bill (H.R. 8108) for the relief of Jeannette Weir was considered, ordered to a third reading, read the third time, and passed.

SQUAW ISLAND FREIGHT TERMINAL CO., BUFFALO, N.Y.

The bill (S. 3482) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N.Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or any statute of limitations or other limitations upon the jurisdiction of such court, to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., for just compensation to it for loss of property and/or damages occasioned by the breaking of an inadequate and/or improperly and insufficiently constructed Government dike on Squaw Island between Black Rock Canal and the Niagara River in December 1921 and January 1922.

LAKE CHAMPLAIN BRIDGE, VERMONT

The bill (S. 3742) granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a bridge and approaches thereto across Lake Champlain, at a point suitable to the interests of navigation, between a point at or near East Alburg, Vt., and a point at or near West Swanton, Vt., in accordance with the provisions of an 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. If tolls are charged for the use of such bridge, the rates of tolls may be so adjusted as to provide a fund sufficient to pay (a) the reasonable cost of maintenance, repair, and operation of the said bridge and its approaches, and (b) the amortization within a reasonable time, and not exceeding 25 years from the date that the bridge is opened to traffic, and under reasonable condition, of any loan or loans, including reasonable interest, taxes, and financing charges made or to be made in connection with the construction of said bridge and its approaches.

SEC. 3. An accurate record of the cost of the bridge and its approaches, and of all the expenditures for maintaining, repairing, and operating the same, and of the tolls collected from time to time, shall be kept and shall at all reasonable times be available for the information of all persons interested in the construction, operation, and maintenance thereof.

SEC. 4. The right to sell, assign, transfer, mortgage, or pledge any or all of the rights, powers, and privileges conferred by this act is hereby granted to the said State Board of Public Works of the State of Vermont or any corporation to which, or any person to whom, such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same through mortgage, pledge, foreclosure, or otherwise, including therein the United States of America acting by or through the President, the Federal Emergency Administrator of Public Works, such other agency or agencies as may be designated or created for such purpose pursuant to the National Industrial Recovery Act or any other amendment or supplement thereto, or any other agency or agencies as may be created for such purpose by the Congress of the United States, and such person or corporation is hereby authorized and empowered to exercise all of the rights, powers, and privileges conferred upon the State Board of Public Works of the State of Vermont as fully as though conferred herein directly upon such corporation or person.

SEC. 5. Whenever a sum sufficient to amortize and pay off the amount of money used in building and constructing said bridge

shall have been collected, the State Board of Public Works of the State of Vermont shall declare said bridge free and open to the use of the general public without the imposition of any further tolls or charges for the use of said bridge.

SEC. 6. The right to alter, amend, or repeal this act is hereby expressly reserved.

MERRIMACK RIVER BRIDGE, LAWRENCE, MASS.

The bill (H.R. 9571) granting the consent of Congress to the county commissioners of Essex County in the State of Massachusetts to construct, maintain, and operate a free highway bridge across the Merrimack River in the city of Lawrence, Mass., was considered, ordered to a third reading, read the third time, and passed.

TAXATION OF RECEIVERS

The Senate proceeded to consider the bill (H.R. 8544) making receivers appointed by any United States courts and authorized to conduct any business, or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 6, after the word "shall", to insert "from and after the enactment of this act", so as to make the bill read:

Be it enacted, etc., That any receiver, liquidator, referee, trustee, or other officers or agents appointed by any United States court who is authorized by said court to conduct any business or who does conduct any business, shall, from and after the enactment of this act, be subject to all State and local taxes applicable to such business the same as if such business were conducted by an individual or corporation.

The amendment was agreed to.

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

The bill was read the third time and passed.

SALE OF LANDS TO SAN DIEGO, CALIF.

The bill (H.R. 3084) authorizing the sale of portions of the pueblo lands of San Diego to the city of San Diego, Calif., was considered, ordered to a third reading, read the third time, and passed.

MISSOURI RIVER BRIDGE AT WASHINGTON, MO.

The bill (H.R. 9645) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo., was considered, ordered to a third reading, read the third time, and passed.

OHIO RIVER BRIDGE, ROCKPORT, IND.

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

JOINT RESOLUTION PASSED OVER

The joint resolution (S.J.Res. 135) to amend the Settlement of War Claims Act, 1928, as amended, was announced as next in order.

SEVERAL SENATORS. Over!

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

DIVERSIFICATION OF PRISON INDUSTRIES

The bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over!

The PRESIDING OFFICER. The bill will be passed over.

Mr. STEPHENS subsequently said:

Mr. President, I ask unanimous consent to return to order of business 1469, being the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, to which objection was made by the Senator from Michigan [Mr. VANDENBERG]. I understand he objected because of the fact that the Senator from Rhode Island [Mr. HEBERT], who was not in the Chamber at the moment, had an amendment which he desired to offer. I ask unanimous consent for the present consideration of the bill. I have the amendment now ready to offer.

Mr. VANDENBERG. Mr. President, if the Senator from Mississippi has the amendment which the Senator from Rhode Island proposed to offer I have no objection.

Mr. STEPHENS. I have. The amendment was passed upon by the Senator from Rhode Island and myself, and I requested him to offer it. As he is not in the Chamber I intend to offer it in behalf of the Senator from Rhode Island and myself.

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

There being no objection, the Senate proceeded to consider the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, which had been reported from the Committee on the Judiciary with amendments. The first amendment was, in section 1, on page 1, line 11, after the word "industries" to insert "which shall be a governmental body", so as to make the section read:

That in order more effectively to carry out the policy and purposes of the act of May 27, 1930 (46 Stat. 391; U.S.C., title 18, sec. 711), entitled "An act to provide for the diversification of employment of Federal prisoners, for their training and schooling in trades and occupations, and for other purposes", the President is hereby authorized and empowered, in his discretion, to create a body corporate of the District of Columbia to be known as "Federal Prison Industries", which shall be a governmental body.

The amendment was agreed to.

The next amendment was, in section 2, on page 2, line 5, before the word "consumers" to insert the words "retailers and".

The amendment was agreed to.

Mr. STEPHENS. Mr. President, I now offer the amendment which has been agreed upon by the Senator from Rhode Island [Mr. HEBERT] and myself.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. On page 2, after line 20, it is proposed to strike out section 4, as follows:

SEC. 4. The Secretary of the Treasury is hereby authorized and directed, upon the formation of the corporation to transfer to the credit of the corporation upon the books of the Treasury, all balances then standing to the credit of the prison industries working capital fund. All valid claims and obligations payable out of said fund shall be assumed by the corporation. The corporation is hereby authorized to employ the aforesaid fund, and any earnings that may hereafter accrue to the corporation, as operating capital and for the purposes enumerated in the said act of May 27, 1930, and also for the payment of compensation in such amounts as the Attorney General may authorize to inmates of penal institutions or their dependents for injuries suffered in any industry: *Provided*, That in no event shall compensation be paid in a greater amount than that provided in the Federal Employees' Compensation Act of September 7, 1916, as amended. The corporation shall from time to time deposit with the Treasurer of the United States to the credit of miscellaneous receipts, so much of its earnings as shall, in the judgment of its board of directors, exceed the amount needed for a reasonable operating capital and surplus. All accounts of the corporation shall be subject to audit by the Comptroller General of the United States.

And in lieu thereof to insert the following:

SEC. 4. The Secretary of the Treasury is hereby authorized and directed, upon the formation of the corporation, to transfer to a fund to be known as the "Prison industries fund" all balances then standing to the credit of the prison industries working capital fund. All moneys under the control of the corporation shall be deposited or covered into the Treasury of the United States to the credit of said fund and withdrawn therefrom only pursuant to accountable warrants or certificates of settlement issued by the General Accounting Office. All valid claims and obligations payable out of said fund shall be assumed by the corporation. The corporation is hereby authorized to employ the aforesaid fund, and any earnings that may hereafter accrue to the corporation, as operating capital for the purposes enumerated in the said act of May 27, 1930, and in accordance with the laws generally applicable to the expenditures of the several departments and establishments of the Government, and also for the payment of compensation in such amounts as the Attorney General may authorize to inmates of penal institutions or their dependents for injuries suffered in any industry: *Provided*, That in no event shall compensation be paid in a greater amount than that provided in the Federal Employees' Compensation Act of September 7, 1916, as amended. Accounts of all receipts and disbursements of the corporation shall be rendered to the General Accounting Office in such manner, to such extent, and at such

times as the Comptroller General of the United States may direct for settlement and adjustment pursuant to title III of the act of June 10, 1921 (42 Stat. 23), and such accounting shall include all fiscal transactions of the corporation, whether involving appropriated moneys, capital, or receipts from other sources: *Provided further*, That the Comptroller General of the United States is hereby authorized in his discretion to sanction the use of moneys provided and authorized by law for the operation of such corporation and to allow credit for items not otherwise allowable in accordance with law if and when established to be reasonably necessary to a proper functioning of the legally authorized activities of the corporation.

Mr. VANDENBERG. Mr. President, will the Senator from Mississippi now state that the measure is satisfactory to the Senator from Rhode Island?

Mr. STEPHENS. It is. The amendment was agreed upon by the Senator from Rhode Island and myself.

Mr. GEORGE. Mr. President, may I say that I introduced an identical bill. The committee reported the House bill. I understand this is the amendment which the Senator from Rhode Island [Mr. HEBERT] desired and that it is satisfactory to him.

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

The amendment was agreed to.

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

The bill was read the third time and passed.

CENTENNIAL OF INDEPENDENCE OF THE REPUBLIC OF TEXAS

The Senate proceeded to consider the concurrent resolution (S.Con.Res. 21) establishing a joint committee to investigate the question of participation by the Government in the Centennial of the Independence of the Republic of Texas, which was read as follows:

Resolved, etc., That there is hereby established a joint congressional committee to be composed of three Senators, to be appointed by the President of the Senate, and three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, to inquire into and report to Congress to what extent, if any, the Federal Government should participate in the Centennial of the Independence of the Republic of Texas, to be held in the State of Texas in the year 1936.

The expenses of the committee, which shall not exceed $5,000, shall be paid, one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers, approved by the chairman.

Mr. CONNALLY. Mr. President, I desire to offer an amendment to the concurrent resolution.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In line 11, after the word "committee", it is proposed to insert, "including necessary clerical assistance and traveling expenses."

The amendment was agreed to.

The resolution, as amended, was agreed to.

ADMINISTRATIVE FURLOUGHS IN POSTAL SERVICE

The Senate proceeded to consider the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service which had been reported from the Committee on Post Offices and Post Roads with amendments in section 2, line 7, after the word "in", to strike out "any branch of"; in line 8, after the word "reduced", to strike out "beyond 5 percent in any 1 year"; and, on page 2, line 6, after the word "resignation", to strike out "but not more in any 1 year than 5 percent of said number in service during January 1934, nor shall any employee in such service be deprived of employment such as he had during said month of January or be in worse position with respect to his compensation for such employment, by reason of any action taken pursuant to the authority conferred by other provisions of law"; so as to make the bill read:

Be it enacted, etc., That such provisions of section 9 (a) of the Independent Offices Appropriation Act, 1934, as relate to rotative furloughs, and such provisions as continued and amended for the fiscal year 1935, shall not apply to the Postal Service.

SEC. 2. The number of employees in the Postal Service shall not be reduced beyond 5 percent in any 1 year, by reason of the discontinuance of any authority for granting furloughs, below the number as shown on the pay rolls of employees in service during the month of January 1934, after deducting the number who have been removed from the pay rolls after the effective date of this act by reason of death, normal retirements, or resignation.

The amendments were agreed to.

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

The bill was read the third time and passed.

ADMINISTRATION OF AIR-MAIL ROUTES AND CONTRACTS

The joint resolution (S.J.Res. 134) to simplify the administration of air-mail routes and contracts was announced as next in order.

Mr. AUSTIN. Over.

Mr. McKELLAR. Mr. President, will the Senator withhold his objection until the measure may be explained?

Mr. AUSTIN. Certainly.

Mr. McKELLAR. Mr. President, this joint resolution proposes an amendment to the Air Mail Act. It is the purpose of the Government to take advantage of an additional contract that has been made under recent bidding. Under the law as it is the Postmaster General has a right to let a portion of the transcontinental routes or to let the whole route under one contract. A contract was let from New York, I think, to Fort Worth, Tex., as one route, and from Fort Worth, Tex., to Los Angeles is another route. The Department had a most favorable bid. My recollection is that it was 13 cents a mile.

Mr. FESS. It was 13 cents a mile from New York to Fort Worth and 9½ cents from Fort Worth on.

Mr. McKELLAR. Yes. It was a very favorable contract, and the desire is hereafter to permit the route to be let as one all the way. It is manifestly to the interest of the Government; it will save the Government a great deal of money; the Department has recommended it, and I hope the Senator will let the joint resolution be passed.

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

Mr. McCARRAN. Mr. President, I am wondering if the very question that we recently discussed at length and at an enormous expense to the Government is not uppermost in this very matter. I think the measure deserves greater consideration than merely such passing consideration as can be given to it at this time. I ask that the joint resolution go over.

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

WAR-MINERALS RELIEF STATUTES

The bill (S. 3675) to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes", was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in any claim that has heretofore been filed within the time and in the manner provided by the act approved March 2, 1919 (40 Stat. 1272), as amended, generally referred to as the "War Minerals Relief Statutes", in which the Supreme Court of the District of Columbia under the authority conferred upon said court by the act approved February 13, 1929 (45 Stat. 1166), has adjudged or decreed interest payments or obligations to be losses reimbursable within the meaning of the act of March 2, 1919 (40 Stat. 1272), as amended, the Secretary of the Interior shall open or reopen such claim and include in his adjustments and payments of losses interest which has been paid or has accrued to the date of approval of this act: *Provided, however*, That such losses shall be shown to the satisfaction of the Secretary of the Interior as a matter of fact to be the result of a legal obligation incurred within the statutory period as provided in said act of March 2, 1919: *And provided further*, That the sum paid in satisfying said claims shall not exceed in total $1,250,000. It is also provided that all settlements under this act and pursuant to its provisions shall constitute full and complete discharge of all obligations of the United States accruing under the War Minerals Act and acts amendatory thereof.

PIERRE E. TEETS

The bill (H.R. 206) for the relief of Pierre E. Teets was considered, ordered to a third reading, read the third time, and passed.

EARL V. LARKIN

The bill (H.R. 3318) to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army was con-

sidered, ordered to a third reading, read the third time, and passed.

W. R. M'LEOD

The bill (H.R. 5606) for the relief of W. R. McLeod was considered, ordered to a third reading, read the third time, and passed.

CAPT. FRANK J. M'CORMACK

The bill (H.R. 6998) for the relief of Capt. Frank J. McCormack was considered, ordered to a third reading, read the third time, and passed.

THOMAS F. COONEY

The Senate proceeded to consider the bill (S. 2771) for the relief of Thomas F. Cooney which had been reported from the Committee on Claims with an amendment on page 1, line 5, after the words "sum of", to strike out "$4,000" and insert "$2,000"; and on line 9, after the name "Oregon", to insert the following proviso: "*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", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 to Thomas F. Cooney, of Las Cruces, N.Mex., in full satisfaction of his claim against the United States for damages for injuries sustained on the stairs in the Federal Building, Portland, Oreg.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

Mr. CUTTING. Mr. President, Mr. Thomas F. Cooney, for whom this bill was introduced, was one of the old pioneers and explorers in New Mexico a great many years ago. In his extreme old age he was summoned by the Post Office Department to testify in a post-office case at Portland, Oreg. There he slipped on the stairs of the courthouse in the Federal Building and blood poisoning set in so that it became necessary to amputate his leg. The post-office inspector who was responsible for his being there has done everything in his power since that time to see that Mr. Cooney got compensation. The Treasury Department have not denied the responsibility, but they have no funds to take care of the matter, and they state that they do not consider it their duty to make any recommendations with regard to payments of this kind. They have made no objection and do not disclaim the responsibility.

The actual expenses Mr. Cooney incurred for the amputation of his leg were $1,524. The bill as amended gives him less than $500 extra for his injury. Mr. Cooney is entirely destitute; he is almost 80 years of age; I do not believe there can be any opposition to the bill.

Mr. McCARRAN. I have no objection.

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

The amendment was agreed to.

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

M. R. WELTY

The bill (H.R. 6238) for the relief of M. R. Welty was considered, ordered to a third reading, read the third time, and passed.

MAY L. MARSHALL, ADMINISTRATRIX

The bill (H.R. 8115) for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM THOMAS

The bill (H.R. 8587) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas, was considered, ordered to a third reading, read the third time, and passed.

B. J. SAMPLE

The bill (H.R. 8650) for the relief of B. J. Sample was considered, ordered to a third reading, read the third time, and passed.

LAS VEGAS HOSPITAL ASSOCIATION, LAS VEGAS, NEV.

The bill (S. 2927) for the relief of Las Vegas Hospital Association, Las Vegas, Nev., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Las Vegas Hospital Association, Las Vegas, Nev., the sum of $407.80 in full settlement of all claims against the Government on account of expenses incurred by the late Clayton George Hilborn, gunner's mate, third class, United States Navy, for medical treatment from March 31, 1933, to April 11, 1933, while suffering from injuries received in an automobile accident on March 30, 1933, while on leave of absence from the U.S.S. *Tennessee*, with orders to report at Puget Sound, Wash.

STEFANO TALANCO AND EDITH TALANCO

The Senate proceeded to consider the bill (S. 3472) for the relief of Stefano Talanco and Edith Talanco, which had been reported from the Commitee on Claims with amendments, on page 1, line 7, to strike out "$15,000" and insert "$9,500"; on page 2, line 3, to strike out "$10,000" and insert "$2,000"; in line 4, to strike out "$5,000" and insert "$7,500"; and to add at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Stefano Talanco and his minor daughter, Edith Talanco, both of Bexar County, Tex., the sum of $9,500 in full satisfaction of their claims against the United States for damages on account of personal injuries suffered on May 17, 1932, when a United States Army airplane, piloted by Lt. E. T. Seltzer, crashed into the automobile owned by said Stefano Talanco, which was parked on the Castroville Road, Bexar County, Tex., and in which said Stefano Talanco and Edith Talanco were sitting at the time of such collision, such sum representing (1) $2,000 for permanent personal injuries suffered by said Stefano Talanco, and (2) $7,500 for personal injuries suffered by said Edith Talanco: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

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

LOANS TO THOSE ENGAGED IN THE FISHING INDUSTRY

The bill (S. 3780) for the relief of persons engaged in the fishing industry was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $2,000,000, or so much thereof as may be necessary, for the purpose of making loans to citizens of the United States engaged in any branch of the fishing industry for the purpose of repairing, rebuilding, and replacing boats, nets, poles, twine, wharves, plants, and other equipment damaged or destroyed by storms, hurricanes, cyclones, tornadoes, tidal waves, floods, or ice in the years 1933 and 1934, the said loans to include capital to resume fishing operations. Such loans shall be made by the Secretary of Commerce in such sums respectively and upon such terms and conditions as the said Secretary shall prescribe.

SEC. 2. The term "fishing industry" in the preceding section embraces all kinds of aquatic products, including sponges, shrimp, lobsters, crabs, oysters, clams, mussels, and all other kind of fish whether specifically named herein or not.

By the term "citizens of the United States" in the preceding section is meant persons, corporations, partnerships, and associations, but no corporation, partnership, or association shall be deemed a citizen of the United States unless such corporation, partnership, or association was formed under the laws of the United States, or any State, Territory, District, or possession of the United States, and unless at least 90 percent of the interest in such corporation, partnership, or association is owned by persons who are citizens of the United States. In the case of a corporation all of its officers and directors must be citizens of the United States.

SEC. 3. The loans herein authorized shall be available in the United States, its Territories, and other possessions.

SEC. 4. The money herein authorized to be appropriated shall be immediately available, and loans made shall be paid in such installments, for such period, and at such rate of interest as the Secretary of Commerce shall prescribe.

SEC. 5. That any person who shall knowingly make any false representation for the purpose of obtaining any loan under this act shall, upon conviction thereof, be punished by a fine of not exceeding $1,000 or by imprisonment not exceeding six months, or both.

MEDICAL SERVICES TO FORMER EMPLOYEES OF THE UNITED STATES

The bill (H.R. 1766) to provide medical services after retirement on annuity to former employees of the United States disabled by injuries sustained in the performance of their duties was considered, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF SALE OF MILK AND OTHER DAIRY PRODUCTS

The concurrent resolution (H.Con.Res. 32) authorizing and directing the Federal Trade Commission to investigate conditions with respect to the sale and distribution of milk and other dairy products in the United States was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I ask the attention of the Senator from South Carolina [Mr. SMITH]. This is a concurrent resolution. There is contained in the resolution, on page 3, lines 21, 22, and 23, an authorization for an appropriation of $60,000 for the purposes of the resolution. I am of the opinion, from a casual investigation of the subject matter, that the resolution should be agreed to; but there is no power to incorporate in a mere concurrent resolution an authorization for an appropriation. It is, therefore, suggested to the Senator in charge of the resolution that the provision for authorization of an appropriation be stricken from the concurrent resolution, and that hereafter in some appropriate bill the appropriation be made.

Mr. SMITH. Mr. President, I think perhaps a reading of the report would indicate that the appropriation was provided by the House. This is a House concurrent resolution. However, if the inclusion of the authorization would jeopardize the adoption of the resolution, of course, I should be perfectly willing to modify it.

Mr. ROBINSON of Arkansas. It is not a mere question of adopting the resolution. The measure would not be effective for the purpose of an appropriation because it is a mere concurrent resolution. In order to make the appropriation effective, legislation is required. A concurrent resolution is not legislation in that sense. I make the suggestion not from a desire to defeat the resolution, but in order to assist in making it effective. A concurrent resolution is not signed by the President. It is a mere expression of the will of the two Houses.

Mr. SMITH. I am willing that it shall be amended by striking out, on page 3, lines 21, 22, and 23, and I offer the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 3, to strike out lines 21, 22, and 23, as follows:

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $60,000 for the purposes of this resolution.

Mr. ROBINSON of Arkansas. Mr. President, I wish it understood that I think the appropriation should be authorized, but it cannot be authorized by the concurrent resolution.

Mr. McCARRAN. Mr. President, there is a similar resolution now pending before the Committee to Audit and Control the Contingent Expenses of the Senate. That resolution has the approval of the Committee on Agriculture and Forestry, of which the learned Senator from South Carolina [Mr. SMITH] is chairman. Because of that fact I ask that the pending concurrent resolution may go over.

Mr. LA FOLLETTE. Mr. President, I appeal to the Senator from Nevada not to interpose an objection to the resolution at this time. I am in entire sympathy, as the Senator knows, with his resolution, but it has been pending for weeks and weeks in the Committee to Audit and Control the Contingent Expenses of the Senate. I am so anxious to have the subject inquired into that I appeal to the Senator from Nevada to let the concurrent resolution now be adopted. If he obtains action upon his resolution he can at any time within 2 days enter a motion to reconsider the vote by which we adopt this resolution; but if by chance his resolution should not be passed and the concurrent resolution should be defeated, we would be entirely frustrated in getting an investigation of the situation which is so necessary from the point of view of the producers of dairy products.

Mr. ROBINSON of Arkansas. Mr. President, may I say to the Senator from Nevada that I join in the suggestion just made by the Senator from Wisconsin. My purpose is to make the concurrent resolution effective and to prevent its being avoided by the objection to which I have referred. If the Senator can see fit to withdraw his objection, the concurrent resolution will be amended as suggested and the necessity for again considering the matter will be avoided.

Mr. McCARRAN. Mr. President, I have made a study of the situation for months. I considered it all last summer with a special committee. It was as a result of my resolution that the matter has been brought to its present status. As I view it—I hope I am not wrong, but I am sincere and I think I am well founded in my viewpoint—if the pending concurrent resolution should be passed it would throw the matter into the Federal Trade Commission and there it would die, whereas if we could have adopted my resolution which has been approved by the Committee on Agriculture and Forestry, and which has merit, a Senate committee would conduct the investigation, would use all the agencies of the Government, and we would get results by way of legislation. I am very sincere about the matter.

Mr. LA FOLLETTE. Mr. President, I do not for a moment question the Senator's sincerity. He has done a magnificent piece of work in attempting to bring these conditions to the attention of the country and to secure action. I appeal to the Senator to let action be taken on the resolution, because certainly an investigation by the Federal Trade Commission is better than no investigation at all.

May I say to the Senator that he will be in full control of the situation for 2 days after the Senate shall have acted? He may enter a motion to reconsider the vote by which the concurrent resolution was passed. What I am afraid of is that if the determination which seems to have been made to adjourn the present session of Congress on next Saturday shall be carried out, this resolution will fail if the Senator objects, and his resolution will fail, and thus we will have no investigation of this subject, which is tremendously important to every farmer in the United States who produces a quart of milk upon his farm.

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

The PRESIDING OFFICER. The time of the Senator from Nevada has expired.

Mr. LA FOLLETTE. I ask for recognition in my own right.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. LA FOLLETTE. I yield to the Senator from Nevada.

Mr. McCARRAN. Mr. President, will the Senator kindly tell me, in view of his zeal in this matter, why it is that the Committee to Audit and Control the Contingent Expenses of the Senate has refused to report back this resolution, notwithstanding the fact that the Committee on Agriculture and Forestry had unanimously reported it favorably?

Mr. LA FOLLETTE. I cannot answer that question. I am not a member of the Committee to Audit and Control the Contingent Expenses of the Senate; but I do know that the Senator from Nevada has been most active in his efforts to get action upon the resolution, and I am apprehensive that his efforts and those of other Senators who are interested in the matter may not be effective in the closing hours of this Congress. It seems to me extremely important that this whole summer and fall should not go by without this investigation, and I am simply appealing to the Senator to let the resolution pass now. The Senator will be in a position at any time within 2 days to enter a motion to reconsider, and thus hold the matter in abeyance; and then we can ascertain whether there will be a report from the Committee to Audit and Control the Contingent Expenses of the Senate.

I sincerely hope the Senator will give us two strings to this bow, which will be possible if he will not insist upon his objection.

Mr. COPELAND. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from New York.

Mr. COPELAND. I know that the dairy farmers of my State are very eager to have the pending resolution pass. I desire to add my voice to that of the Senator from Wisconsin, and urge the Senator from Nevada, with whatever influence I have, to withdraw his objection.

Mr. MURPHY. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Iowa.

Mr. MURPHY. I add my appeal to the Senator from Nevada to those of the Senator from Wisconsin and the Senator from New York. The Senator from Nevada has made the ground ready for an investigation of milk conditions. My concern is the concern of the producer, and that is the concern of the Senator from Nevada.

As a member of the Committee on Agriculture and Forestry, I supported it in reporting favorably the Senator's resolution; but I hope we shall not be left in a position where possibly we shall be without any investigation whatsoever.

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

Mr. LA FOLLETTE. I yield.

Mr. McCARRAN. The Senator from South Carolina [Mr. BYRNES], who is the Chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, is now on the floor; and it seems to me that he might at least enlighten the Senate as to why there has been no action on the resolution. I desire to say, further, that there will not be any action if this Federal agency takes hold of the matter. I know what the result will be. It will be a coat of whitewash. They do not want the Senate of the United States to investigate this matter, because if we do somebody will be investigated, and there will not be a whitewash extended to somebody else.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired. Is there objection to the present consideration of the resolution?

Mr. McCARRAN. I object to the consideration of the resolution.

Withholding my objection for the moment, I now call on the Chairman of the Committee to Audit and Control the Contingent Expenses of the Senate and ask him to explain why the resolution heretofore and now pending before his committee has not been reported.

Mr. BYRNES. Mr. President, the Committee to Audit and Control the Contingent Expenses of the Senate unanimously voted against reporting the resolution, the committee unanimously believing that the investigation should be made by the Federal Trade Commission. It reached that conclusion after making an investigation, hearing members of the Federal Trade Commission, ascertaining that they had already devoted thought to the subject and made some investigation, and after reading a copy of a letter from the Secretary of Agriculture, presented to the committee, in which the Secretary stated that he believed from his investigations of the matter that it might be important to have an investigation, but he believed the investigation should be made in the manner indicated by the resolution.

The Committee to Audit and Control the Contingent Expenses of the Senate believed that the Federal Trade Commission should make the investigation. Therefore it did not report the resolution.

Mr. McCARRAN. I interpose an objection to the further consideration of the resolution.

The PRESIDING OFFICER. Objection being made, the resolution will be passed over.

AMENDMENT OF PACKERS AND STOCKYARDS ACT

The Senate proceeded to consider the bill (S. 2246) to amend the Packers and Stockyards Act, which had been reported from the Committee on Agriculture and Forestry with an amendment, to strike out all after the enacting clause and to insert:

That the act to regulate interstate and foreign commerce in livestock, livestock products, dairy products, poultry, poultry products, and eggs, and for other purposes, approved August 15, 1921 (U.S.C., title 7, secs. 181–229), is hereby amended by the addition of the following title:

"TITLE V—LIVE POULTRY DEALERS AND HANDLERS

"SECTION 501. The handling of the great volume of live poultry required as an article of food for the inhabitants of large centers of population is attendant with various unfair, deceptive, and fraudulent practices and devices resulting in the producers sustaining sundry losses and receiving prices far below the reasonable value of their live poultry in comparison with prices of other commodities and in unduly and arbitrarily enhancing the cost to the consumers. Such practices and devices are an undue restraint and unjust burden upon interstate commerce and are a matter of such grave concern to the industry and to the public as to make it imperative that steps be taken to free such commerce from such burden and restraint and to protect producers and consumers against such practices and devices.

"SEC. 502. (a) The Secretary of Agriculture is authorized and directed to ascertain from time to time and to designate the cities where such practices and devices exist to the extent stated in the preceding section and the markets and places in or near such cities where live poultry is received, sold, and handled in sufficient quantity to constitute an important influence on the supply and price of live poultry and poultry products. On and after the effective date of such designation which shall be publicly announced by the Secretary by publication in one or more trade journals or in the daily press or in such other manner as he may determine to be adequate for the purpose approximately 30 days prior to such date, no person other than packers as defined in title II of said act and railroads shall engage in, furnish, or conduct any service or facility in any such designated city, place, or market in connection with the receiving, buying, or selling on a commission basis or otherwise, marketing, feeding, watering, holding, delivering, shipping, weighing, unloading, loading on trucks, trucking, or handling in commerce of live poultry without a license from the Secretary of Agriculture as herein authorized valid and effective at such time. Any person who violates any provision of this subsection shall be subject to a fine of not more than $500 or imprisonment of not more than 6 months, or both.

"(b) Any person desiring a license shall make application to the Secretary who may by regulation prescribe the information to be contained in such application. The Secretary shall issue a license to any applicant furnishing the required information unless he finds after opportunity for a hearing that such applicant is unfit to engage in the activity for which he has made application by reason of his having at any time within 2 years prior to his application engaged in any practice of the character prohibited by this act or because he is financially unable to fulfill the obligations that he would incur as a licensee.

"SEC. 503. Sections 202, 401, 403, and 404 of said act are amended by the addition of the words 'or any live poultry dealer or handler' after the word 'packer' wherever it occurs in said sections. The term 'live poultry dealer' means any person engaged in the business of buying or selling live poultry in commerce for purposes of slaughter either on his own account or as the employee or agent of the vendor or purchaser.

"SEC. 504. The provisions of sections 305 to 316, both inclusive, 401, 402, 403, and 404 of said act shall be applicable to licensees with respect to services and facilities covered by this title and the rates, charges, and rentals therefor except that the schedules of rates, charges, and rentals shall be posted in the place of business of the licensee as prescribed in regulations made by the Secretary.

"SEC. 505. Whenever the Secretary determines, after opportunity for a hearing, that any licensee has violated or is violating any of the provisions of this title, he may publish the facts and circumstances of such violation and by order suspend the license of such offender for a period not to exceed 90 days, and if the violation is flagrant or repeated he may by order revoke the license of the offender."

The amendment was agreed to.

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

ST. LUDGERS CATHOLIC CHURCH, GERMANTOWN, MO.

The bill (H.R. 3595) for the relief of St. Ludgers Catholic Church, of Germantown, Henry County, Mo., was considered, ordered to a third reading, read the third time, and passed.

PRODUCTION AND SALE OF TOBACCO

The bill (H.R. 9690) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. McNARY. Mr. President, I should like to have an explanation of this bill by the chairman of the committee.

Mr. SMITH. Mr. President, this is a bill which was passed by the House looking toward the control of the sale of tobacco through placing a tax on certain surpluses in order to control the marketing thereof in line with the tobacco-control program. The tobacco growers throughout the country, so far as I have been informed—and I am in touch with the majority of them—are very much in favor of this proposed legislation. It has passed the House, and I think it has in it great merit. It is simply to tax certain excess tobacco grown in order to control its sale during the current year. I believe all those who are interested, and the committee themselves, agree that the bill should pass.

Mr. FLETCHER. Mr. President, I have an amendment to offer to the bill. On page 15, lines 7 and 8, to strike out "1932–33 and 1933–34" and insert in lieu thereof "1926 to 1930."

Mr. FESS. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

BETHESDA-CHEVY CHASE PARK SITE

The Senate proceeded to consider the bill (S. 2603) authorizing the Secretary of Agriculture to convey certain lands to the Maryland-National Capital Park and Planning Commission, of Maryland, for park purposes, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 5, line 8, after the word "purposes", to insert "Said conveyance shall be made by the Secretary of Agriculture at such time, not to exceed 18 months after the approval of this act, as will enable the Department of Agriculture to complete the transfer of the animal experimental station now located on the lands hereinbefore described, to the new site at Beltsville, Md.", and on line 16, after the word "provided", to insert "or at any time discontinues the use of such lands for the purposes herein provided", so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture be, and he is hereby, authorized and directed to convey by good and sufficient deed to the Maryland-National Capital Park and Planning Commission, a public agency created by the General Assembly of Maryland, chapter 448 of the laws of the 1927 session of said assembly, all of the following pieces or parcels of land situate, lying, and being in Montgomery County, in the State of Maryland, being a part of a tract of land called "Oatland", designated and described as follows: Beginning for the same at a point at the end of six hundred and thirty-one and sixty-two one-hundredths feet measured on the last line of a conveyance made the 13th day of December 1855, by John Davidson and wife to James H. Davidson for sixty acres one rood and twenty-three square perches of land, more or less, a part of said tract, it being where said line is intersected by a line of fence running southward from said point, and with the last line of the aforesaid conveyance north eighty-seven and one-fourth degrees, west seventy-three and ninety-three one-hundredths perches, to a large post and stone; thence with the first line of said conveyance with three degrees thirty-five minutes allowance for west variation and running with the fence south forty and one-fourth minutes, west seventy-one and thirty-two one-hundredths perches; thence with the second line with three and one-fourth degrees allowance for west variation, running with the fence south seventy-seven degrees, east twenty-six and one-half perches, to a stake; then north three and one-half degrees, west twenty-eight and three-fourths perches, to the division fence of the experimental station; thence with said fence south eighty-seven and one-fourth degrees, east seventy-five and sixty-seven one-hundredths perches; then still with the line of fence north three and one-half degrees, east seven and eighty-one one-hundredths perches; thence to include a small piece of land running through a house and bisecting a pear tree south eighty-seven and one-fourth degrees, east twenty and three-tenths perches, to a stake in the first aforesaid line of fence running southward from the place of beginning; thence with said fence north three degrees, west twenty-six and fifteen one-hundredths perches, to the place of beginning, containing twenty acres of land, more or less, being all of the same land and premises described in and conveyed by deed from Henry Bradley Davidson and Mary S. P. Davidson to the United States of America, dated July 5, 1899, recorded July 7, 1899, among the land records for said Montgomery County, in Liber T.D., Numbered 8, folio 429, and the following; also all that tract or part of tract of land situate in said Montgomery County called "Friendship", or by whatever name or names the same may be known, contained within the metes and bounds, courses, and distances following, to wit: Beginning for the same at a stone at the end of one thousand four hundred and thirty-two and sixty-seven one-hundredths feet on the twelfth line of a conveyance made the 10th day of February in the year 1863 by William Peters to Allison Naylor for parts of tracts of land called "Pritchett's Purchase and Friendship", containing one hundred and sixty-one acres, more or less, and running thence with the twelfth line of said conveyance south two degrees three minutes, west six hundred and forty-two and two-tenths feet, to a stake on the east side of the branch; still with the outlines of said conveyance south twenty-nine degrees, east two hundred and twenty-seven and seven-tenths feet, to a point where formerly stood a bounded white oak tree marked for Batemans corner in the division line of the land of John Davidson and the land formerly owned by Charles King; then with said division line reversed south thirty-five degrees thirty-two minutes, west one thousand four hundred and nineteen feet, to the end of the seventeenth line of Friendship; then with said seventeenth line reversed north twenty-three degrees twenty-five minutes, west one thousand five hundred and thirty-eight and twelve one-hundredths feet, to a stake; then leaving the outlines and running across said conveyance north sixty-six degrees thirty-five minutes, east one thousand four hundred and sixty-nine and fifty-eight one-hundredths feet, to the place of beginning, containing thirty-four and nine one-hundredths acres of land; excepting, however, four and nine one-hundredths acres of land heretofore conveyed by Elizabeth Jane Wilson and others to the Metropolitan Southern Railroad Company on the 10th day of July of the year 1890 by deed of that date recorded among the land records of Montgomery County, Maryland, in Liber J.A., Numbered 19, folio 450, and the following, leaving the quantity of land hereby intended to be conveyed to contain thirty acres of land, more or less, being all of the same land described in and conveyed by deed from Elizabeth J. Wilson, Robert Wilson, and others to the United States of America, dated August 11, 1902, recorded December 18, 1902, among the land records for said Montgomery County in Liber T.D., Numbered 24, folio 224, and the following, to be used exclusively for public-park purposes. Said conveyance shall be made by the Secretary of Agriculture at such time, not to exceed eighteen months after the approval of this act, as will enable the Department of Agriculture to complete the transfer of the animal experimental station now located on the lands hereinbefore described to the new site at Beltsville, Maryland. If the said Maryland-National Capital Park and Planning Commission fails to use such lands for the purposes herein provided, or at any time discontinues the use of such lands for the purposes herein provided, or attempts to alienate such lands, title thereto shall revert to the United States of America.

The amendments were agreed to.

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

G.A.R. ENCAMPMENT, ROCHESTER, N.Y.

The Senate proceeded to consider the bill (H.R. 9145) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934.

Mr. METCALF. Mr. President, I send to the desk certain amendments which I offer to the bill.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 1, line 7, after "1934", it is proposed to insert "and the National Convention of the Disabled American Veterans of the World War to be held at Colorado Springs, Colo., during the first week in July."

The amendment was agreed to.

The CHIEF CLERK. In line 9, after the word "such", it is proposed to strike out "encampment" and insert "encampments."

The amendment was agreed to.

The CHIEF CLERK. On page 2, line 1, it is proposed to strike out "$3,700" and insert "$7,700."

The amendment was agreed to.

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

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

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., on August 14, 15, and 16, 1934, and the National Convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such encampments there is authorized to be appropriated the sum of $7,700, or so much thereof as may be necessary, to carry out the provisions of this act: *Provided*, That in addition to transportation and Pullman accommodations the leaders and members of the Marine Band be allowed not to exceed $5 per day each for actual living expenses while on this duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station.

The title was amended so as to read: "An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War to be held at Colorado Springs, Colo., during the first week in July."

Mr. COSTIGAN. Mr. President, I ask leave to place in the RECORD two telegrams and a letter relative to the bill just passed.

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

DENVER, COLO., *June 9, 1934.*

Senator EDWARD P. COSTIGAN,
United States Senate, Washington, D.C.:

Please help us amend bill 9145 to send Marine Band also to Disabled Veterans' Convention held June 30 to July 7 at Colorado Springs.

E. W. COMBS,
Commander Department of Colorado.

COLORADO SPRINGS, COLO., *June 10, 1934.*

Senator E. COSTIGAN,
Senate Office Building, Washington, D.C.:

Earnestly solicit your cooperation and assistance in securing amendment to House bill 9145 to permit Marine Band come to Colorado Springs during week June 30 to July 7 while Fourteenth Annual National Convention of Disabled American Veterans of the World War is in session. Bill has already passed House permitting band attend G.A.R. Encampment, and we are very anxious have them here.

DARIUS ALLEN,
Chairman Citizens' Committee for D.A.V. Convention.

COLORADO SPRINGS CHAMBER OF COMMERCE,
Colorado Springs, Colo., June 9, 1934.

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

DEAR SENATOR COSTIGAN: The convention of the Disabled American Veterans, which will be held in Colorado Springs June 30 to July 7, is one of the most outstanding and significant to be held here in years.

A United States band would add much to the convention. We, as well as the D.A.V. members, would appreciate it if you could give your support to an amendment which has been proposed to House bill 9145, which authorizes the sending of the United States Marine Band to the National Convention of the Grand Army of the Republic, to authorize the sending of the band to Colorado Springs for the D.A.V. convention.

It has been many years since a United States military band has been here, and all the residents, as well as the convention visitors, would greatly enjoy it.

Very truly yours,

E. E. JACKSON,
General Secretary.
J. E. TOMPKINS,
Chairman Convention Committee.

Mr. COSTIGAN subsequently said: Mr. President, in the case of House bill 9145, the Senate added an amendment to the bill as it passed the House. I move that the Senate insist upon its amendment, ask for a conference, and that the Chair appoint the conferees.

The motion was agreed to; and the Chair appointed Mr. WALSH, Mr. COSTIGAN, and Mr. METCALF conferees on the part of the Senate.

GREEN LAKE FISH CULTURAL STATION, MAINE

The bill (S. 3014) to authorize the transfer of the Green Lake Fish Cultural Station, in Hancock County, Maine, as an addition to the Acadia National Park, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Commerce be, and he is hereby, authorized and directed to transfer to the control and jurisdiction of the Secretary of the Interior as an addition to the Acadia National Park, established under the act of February 26, 1919 (40 Stat. 1178), and acts supplemental thereto, all that tract of land containing 820 acres, more or less, with improvements thereon if any, comprising the abandoned Green Lake Fish Cultural Station, in Hancock County, Maine, said tract being no longer needed for fish-cultural purposes: *Provided*, That such action shall be in full recognition of any outstanding lease affecting said land.

FORT STANWIX NATIONAL MONUMENT, NEW YORK

The Senate proceeded to consider the bill (S. 3684) to provide for the establishment of a national monument on the site of Fort Stanwix, in the State of New York, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 12, after the word "by", to strike out "purchases" and insert "purchase", so as to make the bill read:

Be it enacted, etc., That when title to the site and/or portion thereof at Fort Stanwix, in the State of New York, together with such buildings and other property located therein as may be designated by the Secretary of the Interior as necessary or desirable for national monument purposes, shall have been vested in the United States, said area and improvements, if any, shall be designated and set apart by proclamation of the President for preservation as a national monument for the benefit and inspiration of the people and shall be called the "Fort Stanwix National Monument": *Provided*, That such area shall include at least that part of Fort Stanwix now belonging to the State of New York.

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 engrossed for a third reading, read the third time, and passed.

AMENDMENT OF BANKRUPTCY ACT

The bill (S. 3779) to amend section 4 of "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", approved June 7, 1934, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 4 (a) (7) of the act entitled "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 supplemental thereto", approved June 7, 1934, is hereby amended by adding at the end of said clause (7) after the words "*Provided further*, That the provisions of this clause (7) shall apply to estates pending at the time of the enactment of this amendatory act", the words "in which the time for filing such claims has not expired."

SECOND-CLASS POSTAL MATTER

The bill (S. 3764) to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of the act entitled "An act to provide for fees for entry of a publication as second-class matter, and for other purposes", approved July 7, 1932 (47 Stat. 647; 39 U.S.C., supp. VII, sec. 226a), is hereby amended by striking out the first semicolon and inserting in lieu thereof a colon and the following proviso: "*Provided*, That the fee to accompany applications for entry as second-class matter of publications having a circulation of not more than 2,000 copies shall be $25;".

FALSE RETURNS BY POSTMASTERS

The bill (S. 3765) to enable the Postmaster General to withhold commissions on false returns made by postmasters was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That that part of the act of June 17, 1878 (20 Stat. 141), which comprises section 45 of title 39, United States Code, is hereby amended to read as follows:

"In any case where the Postmaster General shall be satisfied that a postmaster has made a false return of business, or that a postmaster has mailed or caused to be mailed matter in order to obtain commissions on cancelations of stamps, it shall be within the discretion of the Postmaster General to withhold commissions on such returns and to allow any compensation that under the circumstances he may deem reasonable or proper. The form of affidavit to be made by postmasters upon their returns shall be such as may be prescribed by the Postmaster General."

CLAIMS OF POSTMASTERS FOR LOSSES

The bill (S. 3766) 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, was announced as next in order.

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

Mr. McKELLAR. Mr. President, the Postmaster General now has the power to settle claims of less than $500 made against the Department. The Comptroller General has held that when it comes to losses by fire, burglary, or other unavoidable casualties, the present law does not extend that far. The Department recommended that the law be extended so as to include those three items.

I think this should be done. Surely if we have the right to have other kinds of claims settled, we should have the right to have this kind settled.

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

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

Mr. McCARRAN. Mr. President, on page 2, line 7, I notice the words "Federal migratory bird hunting stamps." I wondered what the Postmaster General had to do with that.

Mr. McKELLAR. Mr. President, if the Senator wants me to be frank, I do not know.

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

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

Be it enacted, etc., That the first sentence of 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 (22 Stat. 29), as amended (U.S.C., supp. VII, title 39, sec. 49), be, and it is hereby, amended to read as follows:

"The Postmaster General may investigate all claims of postmasters, Navy mail clerks, and assistant Navy mail clerks for the loss of money-order funds, postal funds, postal-savings funds, postage stamps, stamped envelops, newspaper wrappers, postal cards, postal-savings cards, postal-savings stamps, postal-savings certificates, United States war-savings certificate stamps, United States Government thrift stamps, war-tax revenue stamps, internal-revenue stamps, Federal migratory bird hunting stamps, and funds received from the sale of such stamps belonging to the United States in the hands of such postmasters, Navy mail clerks, or assistant Navy mail clerks, and for the loss of key-deposit funds, funds deposited to cover postage on mailings, and funds received as deposits to cover orders for stamped envelops, in the hands of such postmasters, Navy mail clerks, or assistant Navy mail clerks, and for losses of customs charges collected on dutiable mail articles occurring after April 1, 1924, resulting from burglary, fire, or other unavoidable casualty, and for the loss occurring after April 1, 1924, by bank failure of any such funds deposited in National or State banks, and if he shall determine that such loss resulted from no fault or negligence on the part of such postmasters, Navy mail clerks, or assistant Navy mail clerks, may pay to such postmasters, Navy mail clerks, or assistant Navy mail clerks, or credit them with the amount so ascertained to have been lost or destroyed, and may also credit postmasters, Navy mail clerks, or assistant Navy mail clerks with the amount of any remittance of money-order funds, postal funds, postal-savings funds, funds received from the sale of United States war-savings certificate stamps, United States Government thrift stamps, war-tax revenue stamps, Federal migratory bird hunting stamps, and internal-revenue stamps, or other public funds, made by them in compliance with the instructions of the Postmaster General, which shall have been lost or stolen while in transit by mail from the office of the remitting postmaster, Navy mail clerk, or assistant Navy mail clerk to the office designated as his depository, or after arrival at such depository office and before the postmaster at such depository office has become responsible therefor, or to the postmaster at any other post office, or to the proper customs officer in the case of customs charges collected, and authorized shipments of postage and other stamp stock lost while in transit by mail from one postmaster, Navy mail clerk, or assistant Navy mail clerk to another postmaster, Navy mail clerk, or assistant Navy mail clerk, or to or from the Post Office Department, and such funds remitted after April 1, 1924, in compliance with instructions of the Postmaster General in the form of drafts or checks which have been returned unpaid or dishonored by reason of the closing of the banks issuing such drafts or checks: *Provided*, That in all cases of bank failure the postmaster shall first file with the receiver of the insolvent bank a claim for the full amount of the funds involved and assign such claim to the Postmaster General, who shall receive all dividends accruing in any such case."

AMENDMENT OF UNITED STATES CODE

The bill (H.R. 8460) to amend section 392 of title 5 of the United States Code was considered, ordered to a third reading, read the third time, and passed.

COMPENSATION OF LETTER CARRIERS IN VILLAGES

The bill (H.R. 9595) to increase the compensation of letter carriers in the village delivery service was announced as next in order.

Mr. McKELLAR. Mr. President, in making the report on this bill there is an evident mistake, and I ask that the bill be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Without objection, it is so ordered.

CODE OF LAWS FOR THE CANAL ZONE

The Senate proceeded to consider the bill (H.R. 8700) to establish a code of laws for the Canal Zone, and for other purposes.

Mr. McNARY. Mr. President, I should like to have some explanation of this bill.

Mr. GORE. Mr. President, this is a House bill, which constitutes a code of laws for the Panama Canal Zone.

On the 17th of May 1928 Congress passed a law requiring the revision and codification of the laws applicable to the Panama Canal Zone. In pursuance of that requirement, a Mr. Paul A. Bentz was selected to prepare the codification, and he seems to have been eminently qualified for the task.

In collaboration with the United States district judge and the United States district attorney for the Panama Canal Zone, Mr. Bentz prepared the codification. It was then submitted to a committee of revision made up of 8 members, 6 of whom were lawyers, 1 of whom was an Army officer, and 1 of whom was a naval officer. They revised the draft prepared by Mr. Bentz and the judge and the district attorney.

It was then resubmitted to a committee of three for a further revision, and when it left their hands it went to the Governor of the Panama Canal Zone, by him was submitted to the President of the United States, and by him referred to the Secretary of War and the Attorney General. It has their approval, and I have a letter from the Secretary of War recommending its adoption.

This proposal simply collates and compiles the existing laws relating to the Panama Canal Zone. In other words, it is a codification. To a very limited extent only is it a revision. As I remember, there are only 29 changes in existing law, and 20 of them relate to the punishment to be imposed in certain cases. It does away with minimum penalties.

I repeat, it collates, revises, and codifies the existing law, including the Executive orders which have been ratified or confirmed by Congress.

Mr. McNARY. I have no further objection.

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

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

CARLETON-MACE ENGINEERING CORPORATION

Mr. WALSH. Mr. President, I ask unanimous consent to return to Order of Business 1457. When that number was

called, the Senator from Nevada [Mr. McCARRAN] objected, and he is prepared at this time to withdraw his objection.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 4659) for the relief of Carleton-Mace Engineering Corporation.

Mr. McCARRAN. Mr. President, I objected to the consideration of this bill when it was called, and now that the Senator from Massachusetts is in the Chamber, I ask for an explanation.

Mr. WALSH. Mr. President, this is a claim by the Carleton-Mace Engineering Corporation against the Navy Department under a contract which the company had with that Department.

Former Secretary Adams, in a report to the committee, gave his opinion as follows:

> The Navy Department would be inclined, for the reasons set out above, to recommend favorable action on the bill, provided that the amount allowed be restricted to such actual loss as the contractor may have suffered in the performance of the contract named in the bill.

The committee have recommended the restriction suggested and have only permitted the actual amount which the Navy Department indicated it would be willing to pay.

Mr. McCARRAN. May I ask the Senator whether there were hearings in the matter?

Mr. WALSH. There were hearings before the Committee on Claims, and a unanimous report, made by the Senator from Kentucky [Mr. LOGAN].

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

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

The PRESIDING OFFICER. Under the unanimous-consent agreement, the call of the calendar having been completed from Order of Business No. 1243, the clerk will now call the first bill on the calendar.

BILLS PASSED OVER

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

Mr. FESS. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

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

Mr. FESS. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

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

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

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

Mr. McCARRAN. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

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

Mr. FESS. What is this bill?

Mr. McNARY. I ask that it go over.

The VICE PRESIDENT. The bill will be passed over.

FREE DISTRIBUTION OF COTTON

The Senate proceeded to consider the bill (S. 2500) to aid in relieving the existing national emergency through the free distribution to the needy of cotton and cotton products, which had been reported from the Committee on Agriculture and Forestry, with amendments.

The first amendment of the committee was, on page 2, line 10, before the word "years", to insert the word "three."

The amendment was agreed to.

Mr. FESS. Mr. President, I should like to have an explanation of this bill.

Mr. SMITH. Mr. President, I shall not insist upon the bill being considered at this time, because I think the object sought in the bill can be taken care of in another manner.

The VICE PRESIDENT. The bill will be passed over.

BILLS AND JOINT RESOLUTION PASSED OVER

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

SEVERAL SENATORS. Over!

The VICE PRESIDENT. The bill will be passed over.

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

SEVERAL SENATORS. Over!

The VICE PRESIDENT. The bill will be passed over.

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

Mr. FESS. Let that go over.

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

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

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

MANUFACTURE, SHIPMENT, AND SALE OF ADULTERATED FOOD

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

SEVERAL SENATORS. Over!

Mr. COPELAND. Mr. President, if the many Senators who objected will withhold their objections, I should like to make a statement.

Of course, it is too much for a Senator to hope that under this unanimous-consent arrangement the bill could be passed; but I wish it were possible for Senators to permit the bill to be passed today.

There never was a bill presented to the Senate which has had more conscientious attention, more serious study and more honest effort, and in the interest of the citizens of our country who are to be protected by the bill and by the operations of the law the bill should pass. Every objection which has been raised by Senators has been given careful consideration, and I believe in 90 percent of cases the Senator who has raised the objection has been satisfied by the explanation which has been made or by the inclusion in the bill of the particular provision which he has thought should be included.

Mr. President, in behalf of the men and women of our country, I wish it might be possible for Senators to refrain from objecting, and let the bill pass.

Mr. McKELLAR and Mr. FESS. Over!

The VICE PRESIDENT. The bill will be passed over.

BILLS PASSED OVER

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

Mr. ROBINSON of Arkansas. Mr. President, at the request of the Senator from Ohio [Mr. BULKLEY], who is ill, I am compelled to object to the consideration of the bill.

The VICE PRESIDENT. The bill will be passed over.

The bill (H.R. 6898) authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or

the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans., was announced as next in order.

Mr. ROBINSON of Arkansas. I make the same statement regarding this bill which I made concerning the preceding bill.

The VICE PRESIDENT. The bill will be passed over.

BILL INDEFINITELY POSTPONED

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

Mr. PITTMAN. Mr. President, since the passage of the silver bill this bill is virtually dead, and I move that it be indefinitely postponed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the bill will be indefinitely postponed.

BILL AND JOINT RESOLUTION PASSED OVER

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

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

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

Mr. FESS. Over.

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

PROTECTION OF LABOR IN ITS OLD AGE

The bill (S. 493) to protect labor in its old age, which had been reported from the Committee on Pensions with amendments, was announced as next in order.

The VICE PRESIDENT. The amendments have heretofore been agreed to. Is there objection to the present consideration of the bill?

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

Be it enacted, etc., That this act shall be known and may be cited as the "United States Old Age Security Act."

DEFINITIONS

SEC. 2. When used in this act—

(a) "Bureau" shall mean the Old Age Security Bureau;

(b) "State or Territory authority" shall mean the State or Territory authority charged with cooperating with the bureau;

(c) "Assisted person" shall mean a person entitled to receive assistance under a State or Territory plan approved by the bureau; and

(d) The masculine shall include the feminine.

AUTHORIZATION AND APPROPRIATION

SEC. 3. There is hereby authorized to be appropriated annually, out of any money in the Terasury not otherwise appropriated, the sum of $10,000,000, to be apportioned among the States or Territories as provided herein, to aid them in giving assistance to aged persons under the conditions of this act: *Provided*, That the President is hereby authorized to allocate not to exceed $10,000,000 from any funds that may be made available for carrying out the terms of the Emergency Relief Act of 1933 for the fiscal year ending July 1, 1935, and the fiscal year ending July 1, 1936, to be expended as provided under the terms of this act.

ALLOTMENT NOT TO BE USED FOR LANDS

SEC. 4. No portion of any money allotted under the act for the benefit of any State or Territory shall be applied to the purchase, rental, erection, repair of any building, or for equipment, or for the purchase or rental of any lands.

MONEY TO BE SPENT BY STATE

SEC. 5. All money allotted under this act to any State shall be expended under the supervision of the State authority.

ACCEPTANCE OF ACT BY STATE

SEC. 6. In order to receive the benefit of this act, any State or Territory shall, through its legislature—

(a) Accept the provisions of this act;

(b) Empower and designate a State or Territory board or officer as the State or Territory authority to prepare the plan herein provided for, to cooperate with the bureau, and to supervise the expenditure of the funds; and

(c) Appoint the State or Territory treasurer as custodian of any allotment paid it under this act, who shall receive and provide for the proper custody and disbursement of all money so paid.

SEC. 7. (1) There is hereby created in the Department of Labor a bureau to be known as the "Old Age Security Bureau."

(2) The bureau shall be in charge of a director to be appointed by the Secretary of Labor.

(3) There is hereby authorized to be employed by the bureau a chief clerk and such special agents, assistants, clerks, and other employees at such rates of compensation and in such numbers as Congress may from time to time provide by appropriations.

DUTIES OF BUREAU

SEC. 8. It shall be the duty of the bureau to carry out the provisions of this act, and to that end—

(a) To make the necessary rules and regulations;

(b) To examine plans submitted by a State or Territory authority for the disbursement of an allotment to the State or Territory under this act, and to approve such plans and any changes thereof;

(c) To make necessary investigations of the administration of any plan approved by it;

(d) To cooperate with State or Territory authorities and other agencies, public and private, for the purpose of improving the administration of old-age assistance and of studying the problem of old age in the United States;

(e) To withhold from any State or Territory the payment of any allotment or installment thereof when it decides that the money allotted is not being expended as provided in the plan;

(f) To certify to the Treasurer of the United States the amount of allotment to any State or Territory; and

(g) To take any other action necessary to carry out the purpose of this act.

APPEAL TO PRESIDENT OR SECRETARY

SEC. 9. When any allotment or any installment thereof is withheld by the bureau, the State or Territory affected may appeal to the Secretary of Labor, and from his decision to the President of the United States, who may either affirm or reverse the action by the bureau or the Secretary as he may judge proper. The Bureau on receiving notice of the opinion of the Secretary or of the President shall take action to accord with it.

CONTENTS OF PLAN

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

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

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

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

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

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

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

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

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

CHANGES IN PLAN

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

REPORTS BY STATE OR TERRITORY AUTHORITY

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

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

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

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

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

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

(b) If the amount of assistance to any aged person under the plan be at a rate in excess of $1 a day, then only so much of the appropriations by the State or Territory and the political subdivision thereof shall be taken as a basis for computation, which when added to the Federal allotment will provide assistance at the rate of $1 a day.

(c) If the sum of all allotments be in excess of the appropriations for the purpose, then the allotment to each State or Territory shall be diminished to that percentage which the appropriations bear to the sum of all allotments.

(3) The State or Territory authority shall report at such date to the bureau, in respect to the administration of the plan, and shall make such other reports at such time as may be fixed by the bureau.

(4) Each State or Territory authority, as soon as possible after the 30th day of June of each year, shall notify the bureau of the exact amount unexpended of its allotment for the year ending on such 30th day of June, and the bureau shall adjust the allotment to each State or Territory in accordance therewith.

NOTIFICATION TO TREASURER

SEC. 13. The Bureau shall annually notify the Treasurer of the United States of the States or Territories whose plans have been accepted and are in force and the amount of the allotment made to each State or Territory. The Treasurer shall thereupon pay to the treasurer of each such State or Territory the sum so allotted in quarterly installments beginning the 1st of July of each year unless he is notified by the bureau to withhold or change the amount of any allotment, in which case he shall act in accordance with such notification.

ACTION OF COMPTROLLER GENERAL

SEC. 14. The Comptroller General is authorized and directed to allow credit in the accounts of the Treasury of the United States for payment of allotments in the amount notified him by the Commission.

Mr. GORE subsequently said: Mr. President, I was temporarily called out of the Chamber to attend a meeting of the District Committee. During my absence Senate bill 493 was reached. I have been watching its call. I ask unanimous consent to reconsider the vote by which the measure was passed, because it is not consistent with the special message submitted to the House last week by the President, who suggested that measures of this kind, together with others, ought to be very carefully considered by a commission. For that reason I ask to reconsider, as I understand a commission is to be appointed for that purpose.

The VICE PRESIDENT. The Senator from Oklahoma [Mr. GORE] asks unanimous consent that the vote by which Senate bill 493 was passed be reconsidered. Is there objection? The Chair hears none.

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

The VICE PRESIDENT. The bill will be passed over.

AMENDMENT OF CRIMINAL CODE

The bill (S. 1842) to amend sections 211, 245, and 312 of the Criminal Code, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 211, 245, and 312 of the Criminal Code, as amended, are each amended by adding at the end thereof the following: "The provisions of this section shall not be construed to apply to any book or information relating to the prevention of conception, or article, instrument, substance, drug, medicine, or thing designed, adapted, or intended for the prevention of conception, for use (1) by any physician legally licensed to practice medicine in any State, Territory, or the District of Columbia, or by his direction or prescription; (2) by any medical college legally chartered under the laws of any State, Territory, or the District of Columbia; (3) by any druggist in filling any prescription of a licensed physician; or (4) by any hospital or clinic licensed in any State, Territory, or the District of Columbia."

Mr. McCARRAN subsequently said: Mr. President, I ask unanimous consent to recur to Calendar No. 868, being Senate bill 1842, which was passed without my being aware of it. I desire to ask unanimous consent that the vote by which the bill was passed be reconsidered.

The VICE PRESIDENT. The Senator from Nevada asks unanimous consent to reconsider the vote by which Senate bill 1842 was passed. Is there objection? The Chair hears none.

Mr. McCARRAN. Mr. President, I object to the consideration of the bill, and ask that it go over.

Mr. HASTINGS. I understand the request of the Senator from Nevada is that the vote on Senate bill 1842 be reconsidered and that it go over?

Mr. McCARRAN. That is correct.

Mr. HASTINGS. Of course, Mr. President, I am very anxious to have the bill passed, but I realize that it is the practice in the Senate, because of the rapid passage of bills, that such unanimous consent requests are granted. I hope the Senator will reconsider the request and permit the bill to be passed. There may not be much chance of its passing in the House, but I certainly should like at this time to have the bill pass the Senate. It has been before the Senate for 2 years or more. I should like to have the bill pass the Senate at any rate so as to encourage the women who have been working so hard to get the legislation enacted.

The VICE PRESIDENT. There is objection, and the bill will be passed over.

COURT SALES OF REAL ESTATE

The bill (H.R. 1567) amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States court, was considered, ordered to a third reading, read the third time, and passed.

INDEMNITY BONDS FOR NATIONAL BANKS

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

Mr. HASTINGS. Over!

Mr. NEELY. Mr. President, will the Senator withhold his objection until I shall have made a brief statement?

The VICE PRESIDENT. Does the Senator from Delaware [Mr. HASTINGS] withhold his objection in order to allow the Senator from West Virginia to make a brief statement?

Mr. HASTINGS. I do.

Mr. NEELY. Mr. President, the serious attention of the Senate is invited to the important bill to which the Senator from Delaware [Mr. HASTINGS] has just objected.

It is as follows:

Hereafter every national banking association shall obtain all bonds indemnifying the association against misfeasance by its officers or employees, or against theft, burglary, larceny, or other misappropriation or loss of the funds of such association, from insurance or bonding companies duly qualified by the State in which such association is located to do business therein. The provisions of this act shall apply to all such bonds obtained after the date of enactment of this act and all renewals of such bonds now held by such associations.

To the foregoing I have submitted the following amendment in the nature of a substitute:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That hereafter every national banking association and every other banking institution which is or becomes a member of the Federal Deposit Insurance Corporation shall obtain all bonds indemnifying the association or institution against misfeasance by its officers or employees, or against theft, burglary, larceny, or other misappropriation or loss of the funds of such association or institution, from insurance or bonding companies duly qualified by the State in which such association or institution is located to do business therein."

On the 21st day of last February a bill similar to the one under consideration was introduced by the senior Senator from Florida [Mr. FLETCHER] and was on the same day referred to the Committee on Banking and Currency. Later it was reported in the papers that the committee had rejected the Fletcher bill. Thereafter I introduced a similar measure, which is the one to which the Senator from Delaware now objects. Without any suggestion on my part, my bill was referred to the Committee on the Judiciary. I was appointed chairman of a subcommittee to conduct hearings on this bill. The hearings were held and printed. Subsequently the Committee on the Judiciary ordered that the bill be reported to the Senate with the recommendation that it be passed. All but three members of the committee voted for a favorable report. The Senator from Rhode Island [Mr. HEBERT], the Senator from Delaware [Mr.

HASTINGS], and the Senator from Vermont [Mr. AUSTIN] voted against the bill. But I have been informed by the able Senator from Vermont [Mr. AUSTIN] that he now favors this legislation.

An explanation of the purpose of the bill, and some of the reasons why it should be passed are set forth in the majority report of the committee, as follows:

Every State in the Union requires American surety and bonding companies to comply with its laws as a condition precedent to such companies doing business in the State in question.

In the year 1932, by virtue of the laws of the various States, the American companies paid into State treasuries a total premium tax of $11,613,626.28. The minimum tax of $6,630.27 was paid to the State of Nevada and the maximum of more than two and one-half million dollars was paid to the State of New York.

In the same year and from the same source California received more than a million dollars; Pennsylvania, Massachusetts, and New Jersey each more than three-fourths of a million dollars; and Illinois and Ohio each received more than a half million dollars. Connecticut, Indiana, Michigan, and Missouri each received almost $300,000; Texas and Wisconsin each received more than $200,000; Iowa, North Carolina, Oklahoma, Tennessee, Vermont, and Virginia each received more than $100,000.

Every State in the Union has provided means whereby process commencing suit may be legally served on every American surety company which does business therein.

The American companies regularly maintain approximately 100,000 agents and 30,000 other employees.

Thirty of the qualified companies paid their employees, in the year 1933, $48,300,831 in salaries and wages.

At least one great foreign insurance association—

Commonly known as "London Lloyd's"—

which actively and successfully competes with the American companies for the business of writing indemnifying bonds throughout the United States, has legally qualified to do business in only one State in the Union, Illinois. This association maintains practically no agents or employees in this country. It pays no premium taxes in any State excepting Illinois. And, excepting Illinois, there is no State in the Union in which process commencing suit against it can be legally served.

This foreign company and every other foreign company will be required, if the bill is enacted into law, to pay its fair proportion of premium taxes into the treasury of each State in which it supplies indemnifying bonds to national banking associations.

The bill does not seek to create a monopoly in favor of the American companies; it does not propose to confer a single favor upon them, or to provide them a single advantage. Nor does it seek to bar any foreign company or association from participating in the writing of surety bonds for national banking associations.

The VICE PRESIDENT. Under the rule under which the Senate is operating the time of the Senator, 5 minutes, has expired.

Mr. NEELY. I ask unanimous consent to proceed for 3 additional minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. NEELY. I continue to read from the majority report of the committee:

The sole purpose of the legislation is to eliminate the notoriously unfair advantage which the foreign company in question has long enjoyed and still enjoys over the American companies, and to require it to bear its equitable share of the burdens which are now borne exclusively by the American companies and from which the latter have no means of escape.

The effect of the bill, if it becomes a law, will simply be to equalize the conditions under which the foreign carriers of insurance and American surety companies may compete for the American business of writing bonds for national banking associations.

Mr. President, under the existing order, of course, this bill cannot be taken up unless the Senator from Delaware withdraws his objection, but I now give notice that just as soon as the parliamentary situation will permit I shall move the Senate to proceed to the consideration of this bill, notwithstanding the objections which have been interposed. I hope that the so-called "railroad men's pension bill", in which I am deeply interested, and which is now the unfinished business of the Senate, will be promptly passed in order that I may move the further consideration of Senate bill 2915 before the Senate adjourns this afternoon.

Mr. AUSTIN. Mr. President, I am anxious to make a statement at this time because I fear I may not have an opportunity at some other time to make the statement.

I voted in the committee against this bill, but afterward I had an opportunity to see the record of the hearings. They had not been printed at the time when I voted in the committee, and I was not informed fully of the situation. Now I have changed my mind—a right which I reserve and exercise sometimes, and I did exercise it in this case.

I wish to state some of the facts which move me to do that. I will not argue them, but I have listed them so as to save time.

American companies are required by law to protect the public by the following acts, which foreign companies are not required to do.

If a $10,000 bond is written anywhere in the United States, $5,000 must be set up as a reserve against the unearned premium.

If a loss of $10,000 should be payable in the future, $10,000 must be set up as a reserve to meet that demand.

Periodic examinations by the insurance commissioners of the various States ascertain that such reserves are maintained.

State premium taxes, insurance-department taxes, and other State taxes, as well as local real-estate taxes, must be paid. These taxes aggregate for a year $8,000,000 in round figures.

Federal taxes are levied on both domestic and foreign companies. Millions of dollars' worth of Government, State, and other securities are purchased by American companies for investment to the obvious support of American business.

An organization is maintained by American companies in States where they do business, and process can be served upon them there; no such organization is maintained by the foreign company, not domesticated, and process cannot be served upon it unless it volunteers to accept service.

American companies cannot discriminate between customers as to rates in order to obtain business in competition, whereas such discrimination is not hampered by any law or regulation affecting foreign undomesticated companies.

These burdens on the American companies add to the cost of doing business, which disables them from meeting the competition in rates of the foreign undomesticated company.

The foreign company being able to write the insurance for less money can select and does select risks, which again tends to the disadvantage of the domestic company in respect to the losses it must pay. This strengthens the foreign company's position in competition with the domestic company.

The relative contribution to the general welfare of American companies excites support for the bill.

Millions of dollars must be invested in this country by the American companies in capital, surplus, and reserves, whereas such sums may be all invested abroad by the foreign company.

The American companies employ approximately 30,000 direct employees and pay out annually in wages and salaries in the United States $50,000,000.

Stock casualty and surety net written premiums aggregated in 1932 $555,055,231, on which there was paid total premium tax of $11,613,626.28.

Approximately 100,000 agents are employed throughout this country by American companies; 0.9 of them gain their livelihood from this business.

Our banks are benefited by large deposits arising from this business. December 31, 1932, these deposits equalled $50,000,000. To this should be added the deposits of agents and other employees.

These facts throw such weight into the scales as to tip the balance decisively in favor of the bill.

All that is required by the bill is that the competing foreign corporation put itself in the same relation to our economic and civic life as the American company does, and then it can do business without the handicap which it now has over the American company. This will doubtless make the cost to consumers greater, but the total cost will be better distributed than it is today, and the general effect on American business ought to be favorable.

For these reasons I shall support this bill if it comes to a vote.

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

Mr. HASTINGS. Mr. President, I still object to the passage of this bill.

Mr. ROBINSON of Arkansas. Then, Mr. President, I shall have to demand the regular order.

The VICE PRESIDENT. The regular order is demanded.

Mr. LONG. Mr. President, a Senator has 5 minutes, has he not?

The VICE PRESIDENT. Under the rule adopted in connection with unanimous-consent agreements, unobjected bills were to be considered on the calendar. If any Senator objects, and the regular order is called for, the bill goes over. If unanimous consent is given for the consideration of a bill, then it is subject to discussion under the 5-minute rule. Is there objection?

Mr. HASTINGS. I object.

The VICE PRESIDENT. Objection is heard. The clerk will state the next bill in order on the calendar.

CLAIMS OF GRAIN ELEVATORS AND GRAIN FIRMS

The joint resolution (S.J.Res. 102) authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas it is provided in the act entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel (ch. 53, 40 Stat.L., approved Aug. 10, 1917, and ch. 125, 40 Stat.L., approved Mar. 4, 1919), wherein the President was authorized to determine and fix a guaranteed price, to be paid producers of wheat, and wherein the President was further authorized as follows:

"Whenever the President shall find it essential in order to carry out the guaranties aforesaid, or to protect the United States against undue enhancement of its liabilities thereunder, he is authorized to make reasonable compensation for handling, transportation, insurance, and other charges with respect to wheat and wheat flour of said crops and for storage thereof in elevators, on farms, and elsewhere"; and

Whereas the President by an Executive order (no. 3087), dated May 14, 1919, in pursuance of the power conferred on him by said act, did order as follows:

"I further find it essential and hereby direct that in order to carry out the guaranties made producers of wheat of the crop of 1919, and to protect the United States against undue enhancement of its liabilities thereunder, the United States wheat director utilize the services of the Food Administration Grain Corporation (now the United States Grain Corporation by reason of a change of name authorized by Executive order) as an agency of the United States, and I authorize the Food Administration Grain Corporation * * * to enter into such voluntary agreements to make such arrangements and to do and perform all such acts and things as may be necessary to carry out the purposes of said act"; and

Whereas the United States Grain Corporation, in pursuance of said Executive order, and, for the purpose of carrying out and making effective the guaranteed price, made, and entered into, a certain contract, known as the "grain dealers' agreement", with various independent and farmer grain firms and grain-elevator companies in Montana, North Dakota, South Dakota, Minnesota, Nebraska, Kansas, Iowa, Missouri, Wyoming, and Oklahoma, and wherein it was agreed as follows:

"Fourth. In case the dealer (the elevator firms) shall be unable, after using every effort and all diligence to ship in any week such total of grain as makes the equivalent of at least 20 percent of the amount of wheat in his elevator and owned by him at the beginning of such week, the Grain Corporation shall pay to the dealer to cover insurance and interest for such week seven-twentieths of 1 cent per bushal on the wheat in the elevator owned by him at the beginning of such week"; and

Whereas the President, in an Executive order (no. 3320) dated August 21, 1920, did approve, ratify, and confirm all acts done or authorized by the said United States Grain Corporation in carrying out and making said guaranteed price effective; and

Whereas all said grain dealers (the elevator firms) under the term of said grain dealers' contract, were required by said United States Grain Corporation to, and in accordance therewith each said grain dealer did make prescribed written weekly reports to said United States Grain Corporation; and in due course there was duly and truly entered from said weekly reports upon the books of said United States Grain Corporation by said United States Grain Corporation as money earned by said grain dealers, and each of them, under the terms of said contract, and as justly due and truly owing to each said grain dealers from said United States Grain Corporation, the several sums of money, as reported by the Department of Commerce in its reports filed with the Secretary of the Senate, to which reports reference is hereinafter made; and

Whereas all the records, books of account, and files of the United States Grain Corporation were placed in the custody of the Department of Commerce by and pursuant to an Executive order (no. 4791) of the President, dated the 31st day of December 1927, and were in the custody of the Department of Commerce at the time of the making and filing with the Senate of the reports of the Department of Commerce hereinafter mentioned; and

Whereas on the 18th day of June 1929 the Senate of the United States duly adopted Senate Resolution 98 (71st Cong., 1st sess.), directing the Department of Commerce to furnish the Senate and file with the Secretary of the Senate the names and addresses of each person, firm, or corporation as they appear on the books and records of the United States Grain Corporation, who have, or appear to have, therefrom, a claim against the United States Grain Corporation or the United States, unpaid, in whole or in part, for such interest and insurance under and by virtue of said contract; and the respective amounts entered on said books and records as apparently earned by each said person, firm, and corporation under and by virtue of said contract; and

Whereas in pursuance of said resolution (no. 98) of the Senate, the Department of Commerce, subsequent to the adoption thereof and prior to the 14th day of December 1929, did furnish the Senate and did file with the Senate written reports wherein the Department of Commerce set forth the names and addresses of divers persons, firms, corporations, and grain dealers, and therein, further, did set forth opposite said names and addresses the respective amounts actually entered upon the records and books of the said United States Grain Corporation as accrued under the terms of said grain dealers' contract, to said persons, firms, corporations, and grain dealers; reference to said reports so filed being hereby made for greater particularity; and

Whereas it appears from said reports of said Department of Commerce, so filed with the Senate, that all the amounts and credits due from said United States Grain Corporation under said grain dealers' contract to the persons, firms, and corporations named in said reports still remain unpaid; and

Whereas said persons, firms, corporations, and grain dealers named in said reports of said Department of Commerce are now, and heretofore have been, making claim for payment thereof: Now, therefore, be it

Resolved, etc., That the Comptroller General of the United States, upon the filing with his office of an affidavit by any person, firm, corporation, or grain dealer named in said reports of the said Department of Commerce, so filed with the Secretary of the Senate, or by an officer of said person, firm, corporation, or grain dealer, or the successor or legal representative of such person, firm, corporation, or grain dealer, stating that the person, firm, corporation, or grain dealer making said affidavit is the identical person, firm, corporation, or grain dealer named in said reports of said Department of Commerce or is the successor or legal representative of such person, firm, corporation, or grain dealer, and, as such, is entitled to receive payment of the respective amount stated in said report of said Department of Commerce as filed with the Secretary of the Senate and, therein, set opposite the several names of such person, firm, corporation, or grain dealer, shall, forthwith, certify to the Secretary of the Treasury of the United States for payment to such person, firm, corporation, or grain dealer, together with the reasonable and necessary expense incident to the administration of this resolution in the office of the Comptroller General of the United States, out of any funds of the United States Grain Corporation now in the possession of the United States, or out of any funds in the United States Treasury not otherwise appropriated, the respective amounts stated in said reports of the Department of Commerce, filed with the Secretary of the Senate and therein set apposite the name and address of said person, firm, corporation, or grain dealer making said affidavit or in whose behalf said affidavit is made; and in this connection and upon the filing of said affidavit, it shall be taken, as the fact, that all conditions and acts necessary to authorize payment of said amounts set opposite the names and addresses of each of said persons, firms, corporations, or grain dealers named in said reports of said Department of Commerce, have been duly complied with and performed, by such persons, firms, corporations, or grain dealers; or if it appears hereafter from the books or records of the United States Grain Corporation, or said weekly reports, that any other or additional amounts were earned, or apparently earned, by the persons, firms, corporations, or grain dealers named in said reports of said Department of Commerce, now filed with the Secretary of the Senate, under the terms of said grain dealers' contract, and that said additional amounts remain unpaid; or if it appears from the books or records of the United States Grain Corporation or said weekly reports that any person, firm, corporation, or grain dealer, not named in said reports of said Department of Commerce, now on file with the Secretary of the Senate, has earned or apparently earned, under the terms of said grain dealers' contract, and in the manner hereinbefore set forth, any sum, and that said sum now remains unpaid, the Comptroller General of the United States is hereby authorized and directed to, and he shall, forthwith, upon the filing with his office by any such person, firm, corporation, or grain dealer, or an officer thereof, or the successor or legal representative of such person, of an affidavit stating that the person making said affidavit is the identical person, firm, corporation, or

grain dealer, or an officer thereof, or the successor or legal representative of such person named in the books, records, or weekly reports and as such is entitled to receive payment of said additional amount disclosed by the books or records of the United States Grain Corporation, or said weekly reports, and that said sum is unpaid, certify said additional amounts to the Secretary of the Treasury for payment to said several persons, making said affidavit, or in whose behalf said affidavit is made, and upon the filing of said affidavit last mentioned, it shall also be taken as a fact that all conditions and acts necessary to authorize payment of said additional amounts have been duly complied with, and performed by each person, firm, corporation, or grain dealer making said affidavit, or in whose behalf said affidavit is made: *Provided*, That the amount to be paid by such persons, firms, corporations, or grain dealers to their attorneys, as fees, exclusive of their expenses, shall not exceed 25 percent of the amount so paid to each such person, firm, corporation, or grain dealer hereunder.

SEC. 2. The resolution entitled "Joint resolution authorizing the President to ascertain, adjust, and pay certain claims of grain elevators and grain firms to cover insurance and interest in wheat during the years 1919 and 1920 as per a certain contract authorized by the President", approved February 4, 1929, as amended, is hereby repealed.

The preamble was agreed to.

PUBLIC-SCHOOL BOARD AT WOLF POINT, MONT.

The Senate proceeded to consider the bill (S. 2426) to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont., which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 3, after the word "be", to strike out "expended from any moneys now available and applicable for construction under provision of the National Industrial Recovery Act, approved June 16, 1933, or that may become hereafter available, the" and insert "appropriated, from any moneys in the Treasury not otherwise appropriated, the", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $50,000 for the purpose of cooperating with the public-school board of district no. 45, town of Wolf Point, county of Roosevelt, Mont., for construction, extension, and betterment of the public high-school building at Wolf Point, Mont.: *Provided*, That the expenditure of any money so authorized shall be subject to the express conditions that the school maintained by the said district in the said building shall be available to all Indian children of Fort Peck Indian Reservation, Mont., on the same terms, except as to payment of tuition, as other children of said school district, and that accommodations in said enlarged building to the extent of one-half its capacity shall be available for Indian children from the Fort Peck Reservation: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The amendment was agreed to.

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

BILL PASSED OVER

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

Mr. FESS. Mr. President, I do not see the author of the bill in the Chamber at the moment, and, therefore, I think it had better go over.

The VICE PRESIDENT. The bill will be passed over.

APPOINTMENT OF ASSISTANT UNITED STATES ATTORNEYS

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

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

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

HENRY HARRISON GRIFFITH

The bill (H.R. 3161) for the relief of Henry Harrison Griffith was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF WHITE B. MILLER

The bill (H.R. 3295) for the relief of the estate of White B. Miller was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. I desire to insert in the RECORD a statement following the passage of House bill 3295 in regard to the claim in that bill.

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

MEMORANDUM RE BALANCE DUE ESTATE OF W. B. MILLER FOR SERVICES AS SPECIAL ASSISTANT TO THE ATTORNEY GENERAL OF THE UNITED STATES

The late W. B. Miller was commissioned special assistant to the Attorney General of the United States in March 1923, and from time to time thereafter, his services terminating in March 1929.

In every instance he was engaged to handle only specific litigations which were set out in his commission from the Attorney General. In some instances the commission under which Mr. Miller was empowered to act would set forth the compensation to be paid (see letter from Attorney General John G. Sargent, Mar. 27, 1925, copy attached). In other instances the commission would provide that compensation was to be fixed by the Attorney General and would be agreed upon at the conclusion of the services (see letter from Rush L. Holland, Assistant Attorney General, Feb. 21, 1924, copy attached).

All except strictly office work involved long absences from his office at Chattanooga. His services were rendered both on behalf of the Department of Justice and the Treasury Department. His major services were divided between what might be termed (1) Savannah group of cases, and (2) *Cannon* v. *Bailey, Collector*, cases.

Services in connection with the Savannah group began in March 1923 and terminated in March 1929.

In the course of services in these cases he succeeded in destroying the famous Haar-Bailey-Goldberg bootleg ring. A large number of indictments for conspiracy to violate the National Prohibition Act and filing fraudulent income-tax returns were returned and in every instance a conviction resulted. A number of these cases were prepared and argued on appeal to the United States Court of Appeals—the Government being successful in every instance. The civil tax cases against Haar, in which the Government prevailed, went to the Supreme Court of the United States. Penalties, fines, and taxes in excess of $500,000 were collected; in many instances collections were made after heated litigation over fraudulently conveyed property, etc.

All remaining compensation due in connection with the Savannah group of cases was paid during October 1928, it being agreed at that time that a conference would be held between Mr. Miller and the Attorney General, looking to agreement respecting compensation in the Cannon cases.

In March 1926 Mr. Miller was asked by the Attorney General to undertake the defense of the Cannon cases under circumstances outlined in letter from present Attorney General Mitchell to Col. J. C. Roop, Director Bureau of the Budget, dated December 7, 1929, see copy attached. A commission was issued under date of March 17, 1926, covering these cases, providing that compensation would be fixed by the Attorney General. Mr. Miller declined to accept the commission in this form, whereupon it was modified to provide that he would receive reasonable compensation, per letter from Attorney General Sargent, dated April 24, 1926, copy of which is attached. It was definitely understood and agreed between the Attorney General and Mr. Miller, about which there is no dispute, that Mr. Miller would be reasonably compensated for his services in the Cannon cases, notwithstanding he was already receiving compensation in the Savannah cases. It was pointed out by Mr. Miller that if he assumed charge of the Cannon cases, his entire time would be consumed in Government work and that he would not be free to conduct his private practice as he had done theretofore.

After assuming defense of the Cannon cases, Mr. Miller devoted practically his entire time to Government service, releasing to his partners at Chattanooga all matters of any consequence which he was handling. He also declined, during a period of almost 3 years, during which he was in charge of the Cannon cases, to accept other business which was offered to him for the reason that his time was completely occupied with Government litigation.

Something in excess of $2,000,000 was involved in the Cannon cases. The Government, up to the time of Mr. Miller's engagement, had suffered an adverse decision in the district court of New York. Plaintiff was represented by an eminent array of counsel headed by Judge Hughes' firm. The cases were finally settled resulting in a saving to the Government of in excess of $1,000,000, which was highly satisfactory to the Attorney General and the Treasury Department. Attached is a copy of Mr. Miller's report to the Attorney General respecting the Cannon cases,

dated March 14, 1929, which shows in some detail the extent of services rendered.

At the conclusion of the Cannon cases Mr. Miller submitted a statement for $50,000 covering his entire work in these cases, which was duly approved for payment. Just at this time there was a change in the administration. Shortly thereafter Mr. Miller's health began to fail and he died without having received any payment whatever for these services. Representatives of his estate called at the Department of Justice after his death and were shown the files which disclosed that the new Attorney General, William D. Mitchell, had made a notation, in substance, that notwithstanding the magnitude of the litigation, the character of the services rendered and results obtained, he would only approve payment for $25,000. This for the reason that persons employed by the United States Government should not expect to be paid compensation commensurate with the work done. Representatives of Mr. Miller's estate were very much aggrieved that this action had been taken, but concluded it was best to accept this amount inasmuch as it could be handled immediately through the Director of the Bureau of the Budget.

Representatives of Mr. Miller's estate were very chagrined and disappointed a little later to be advised that the Director of the Bureau of the Budget felt that he was not justified in recommending inclusion of this item in a general appropriation bill, because of a statutory limitation respecting compensation of attorneys engaged by the United States. (See letter of Attorney General, Mar. 29, 1930, attached.) Any idea that this statute should have any bearing on the compensation in question is clearly negatived by the course previously pursued and by the basis of compensation definitely fixed in Attorney General Sargent's letter of April 24, 1926.

The Attorney General's office then suggested that Mr. Miller's executors cause a bill to be introduced in Congress stating that it has the approval of the Department of Justice.

As the matter now stands Mr. Miller's claim for services has been cut in half and is now more than a year and a half overdue, and in the meantime his executors have recently been forced to sacrifice securities in a highly unfavorable market in order to pay inheritance taxes and bequests under his will.

It is indeed unfortunate, after the record which was made by Mr. Miller, probably unexcelled in the history of the Department of Justice, that his family should be forced to go before Congress and ask for compensation which is admittedly due, solely for the reason that the commission in these cases ran concurrently for part of the time with one covering other cases, notwithstanding a positive agreement with the Attorney General of the United States concerning this compensation.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., March 27, 1925.

MR. WHITE B. MILLER,
Special Assistant to the Attorney General,
Chattanooga, Tenn.

MY DEAR MR. MILLER: Will you please continue under the same terms and conditions as in your contract of the past year to handle at least the so-called "Big Four Savannah" cases, which is, since January 1, 1925, at the rate of $1,000 per month. This specifically is to include trial of the tax cases as follows:

Jacob Stein, R. A. Bailey, C. C. Tuten, Joseph Greenberg, H. V. Evans, E. B. Sauls, J. E. Cercoply, Bert B. Frost, Peter Athas, J. F. Williams, J. H. Thomas, Nathan Greenberg, J. N. Harris, Alex Mendel, C. Graham Baughn, Henry C. Taylor, Frank J. Ciucevish, and Ruby Kolman.

Respectfully,

JOHN G. SARGENT, *Attorney General.*

DEPARTMENT OF JUSTICE,
Washington, D.C., February 21, 1924.

WHITE B. MILLER, Esq.,
Special Assistant to the Attorney General,
Chattanooga, Tenn.

SIR: Referring to the matter of your compensation for services rendered as special assistant to the Attorney General, under your appointment of March 13, 1923, in cases arising out of the violation of the National Prohibition Act and the internal-revenue laws, you are advised that the Attorney General has determined and allowed you $12,000 for the period from March 13 to December 31, 1923, inclusive.

With respect to the several expense accounts submitted by you for expenses incurred during the past year, the total suspensions amounted to $431.40. Of this amount, $59.20 was for personal travel which it has been impossible to allow, leaving a remainder of $372.20, which the Department has, however, fixed, in order to make a round sum, at $375.

Accordingly, there is enclosed herewith voucher in your favor in the amount of $12,375, the sum total of the amounts allowed for compensation and suspensions, for the above-mentioned period, which should be signed by you at the place indicated and returned to the Division of Accounts, this Department, for audit and settlement.

Respectfully,

For the Attorney General:

RUSH L. HOLLAND,
Assistant Attorney General.

DECEMBER 7, 1929.

Col. J. C. ROOP,
Director Bureau of the Budget, Washington, D.C.

DEAR SIR: I wish specially to call your attention to the item of $25,000 additional compensation for Special Assistant to the Attorney General White B. Miller, who conducted on behalf of this Department the important tax litigation involved in the Cannon against Bailey cases. This matter arose during the last administration, but the facts as reported to me by those familiar with them are as follows:

At the time of Mr. Miller's appointment in the Cannon cases, he was already receiving the maximum of $10,000 a year as special assistant to the Attorney General for conducting the Haar cases at Savannah, Ga. Mr. Miller only undertook the conduct of the Cannon litigation upon the urgent request of the Assistant Attorney General in charge of tax cases, and upon her assurance that every effort would be made by departmental officials to secure for him adequate compensation for this extra duty in addition to that which he was at the time receiving in the Haar cases.

It would have been inadvisable for any attorney regularly employed in the Government service to handle these cases, for the reason that Mr. Blair, the then Commissioner of Internal Revenue, was involved as one of the parties. Rather than appoint some other special assistant to handle the cases, Mr. Miller was appointed because of his previous experience in handling tax cases for the Department, and also because of his proven ability and tact in handling cases involving a Federal official without public criticism. In addition, the Cannon cases were particularly difficult ones. They presented a hard question of law and necessitated months of investigation into a complexity of facts and accounting matters. Eminent New York counsel represented the taxpayers, and the cases were hard fought at every step. Mr. Miller's efforts resulted in the Government's retaining $1,081,027.26, which represented one-half of the moneys in controversy. For a detailed statement of the history of the cases, I enclose herewith a copy of the final report, dated March 14, 1929, submitted by Mr. Miller to this Department.

Mr. White B. Miller died the early part of last month. His executors are now interested in securing settlement of his account with the Government. In all the circumstances, I feel that the Government's interests were fully and adequately protected by Mr. Miller, and at less cost, considering the results obtained, than had the Department employed some other attorney to whom a fee of $10,000 per annum undoubtedly would have been paid.

Very truly yours,

WILLIAM D. MITCHELL,
Attorney General.

DEPARTMENT OF JUSTICE,
Washington, D.C., April 24, 1926.

Hon. WHITE B. MILLER,
Chattanooga, Tenn.

SIR: Your appointment dated March 17, 1926, as a special assistant to the Attoroney General in the case of Cannon et al., executors, against Bailey, ex-collector, pending in the eastern district of North Carolina, is hereby amended to the extent that the phraseology, "Your compensation will be determined by the Attorney General upon the conclusion of your services", is changed to read, "You will be allowed reasonable compensation at the conclusion of your services."

Respectfully,

JNO. G. SARGENT,
Attorney General.

CHATTANOOGA, TENN., *March 14, 1929.*

The ATTORNEY GENERAL,
Washington, D.C.

Charles A. Cannon et al., executors, etc., against Josiah W. Bailey, ex-collector, No. 1334 at law.

Charles A. Cannon, et al., executors, etc., against Gilliam Grissom, collector, No. 1454 at law.

SIR: Upon my recommendation of December 15, 1928, and after full conferences with the Department, a 50-percent compromise in cases above was approved and effectuated in course. This resulted in the Government retaining $1,081,027.26 of the moneys in controversy and paying over a like amount to the claimants, as evidenced by attached copies of judgments and certificates of probable cause.

Meeting your expressed desire, this summary of our extensive files will supplement my recommendation of December 15, as per final paragraph thereof. While factual details of these cases are unlike in several respects, upon dissection and analysis the fundamental facts and the contract documents in which both have their origin are substantially the same. And they may be treated as a single controversy over income taxes owing by James W. Cannon, deceased, of Concord, N.C., for years 1917–19, inclusive.

In 1916, Mr. Cannon was a large and successful producer of cotton yarns and cloth. He and his immediate family—wife and 10 children—owned and controlled 13 southern cotton mills. He was also a large and prosperous selling agent and commission merchant, with offices in Philadelphia and New York, where he sold the output of the 13 mills—called "Cannon Group Mills"—and some 28 other southern mills. His selling and commission business was conducted under the trade name of Cannon Mills.

About June 1916 he formed a partnership limited to his selling and commission operation, with two business associates—Leslie and Glynn—then in his employ. The contract, dated June 30,

1916, confirmed to Cannon, his assigns or designees, 60 percent of all commissions to be paid by Cannon Group Mills, after which payment the net profits were to be shared in fixed proportions by the three partners.

Contemporaneously, Cannon assigned to Trading & Commission Co., a Maine corporation of $1,200 capital (12 shares of $100 each), created for the purpose, his right to the 60 percent, and same was thenceforward paid to it by the partnership as earned. He, his wife, and 10 children held a share each in the Maine corporation, which distributed to them the moneys received, and they made returns and paid income taxes accordingly. The aggregate amount so received and distributed by the Maine corporation during January 1 to May 1, 1917, was $95,481.98.

The 1916 contract was superseded by one of May 1, 1917, by which the 60-percent payment was terminated, and in lieu the partnership (1) undertook to gratuitously sell the output of three Cannon Group Mills; (2) accorded to Cannon the right to arrange with these three mills for payment of commissions for the services of the firm "as selling agent to him or his assigns * * * without any accountability to said firm for said commissions"; and (3) agreed to distribute the commissions to be paid by the three mills as directed.

Simultaneously, the three excepted mills, Cannon, and members of his family who owned substantial interests in the mills, contracted in writing that the mills would remit monthly to the partnership the customary commissions for the firm's service, same to be distributed by the partnership to Mr. Cannon and members of his family in agreed proportions. Under this arrangement, during May 1 to December 31, 1917, there was remitted and distributed, as agreed, $660,257.77.

The partnership did not include either this sum or the $95,481.98 above in its return for excess-profits taxes. Thereafter, internal-revenue agents assessed the partnership with additional taxes on both items (aggregate $755,734.75). The partnership paid so much of the additional assessment as resulted from the $95,481.98 without protest, but protested the remainder which, with interest, amounted to $423,818.22, and after payment sued the collector in a district court of New York to recover it, with interest. On motion to dismiss the district court (Judge Learned Hand) in *Leslie et al.* v. *Bowers, Collector* (293 F., 82), said:

"It may be noted that there was apparently no attempt in this case to devise a scheme to avoid the excess-profits tax, since the act imposing such a tax was passed October 3, 1917, * * * about 5 months after the date of the contracts above mentioned. But the real question is not the purpose which the parties had in mind, but what they in terms agreed to do."

The 1916 contract was not directly involved, but Judge Hand considered it and viewed the 60-percent agreement as a "consideration" moving to Cannon for making available to the firm "a business which had been his." Then, turning to the 1917 modified contract under which he thought Mr. Cannon "gave up this 60 percent and enabled the partners to share in the business without this charge, if they would eliminate from the firm receipts the commissions on the three mills in question while still performing the services", he proceeded:

"It is by no means certain that, if the commissions on these mills had gone wholly to Mr. Cannon, they should be treated as firm income for the purpose of taxation, since the firm would not share in them. But where, as here, no member of the firm had any interest in them, I cannot see how they can possibly be income. If the arrangement was unfair to stockholders of the three Cannon mills outside of the Cannon family, that would be a matter for them to object to."

Upon the trial, both parties moved for peremptory instructions, which resulted in a directed verdict and judgment for the partnership, affirmed in *Bowers, Collector,* v. *New York Trust Co. et al.* (9 F. (2d) 548 (C.C.A. 2)).

The court of appeals did not overlook the excess-profits tax of March 3, 1917 (as perhaps did District Judge Hand), since it said:

"An assessment (?) of nearly $100,000 excess-profits tax before May 1, 1917, proved that the firm's taxes were going to be high, and it is a fair inference that the changes effected by a new agreement of May 1, 1917, were for the purpose of avoiding these as much as possible."

The court of appeals considered "whether the whole arrangement was not a device to distribute firm profits to Cannon as partner by an elimination of the firm", and I interpret its analysis and reasoning as quite in accord with those of District Judge Hand. It further held that, even assuming payments by the three mills were not in "consideration for the transfer of Cannon's good will", they were not partnership income.

When the partnership's concurrence in the tax assessed against it on the $95,481.98 was urged, the court rejoined—

"* * * at most it shows no more than that the firm has been less astute to protect itself than it might have been. Nobody estops himself into paying taxes by failing in the past to assert his full rights."

The Department was content to abide the ruling that payments under the 1917 contract were nonincome of the partnership and its members, also the clearlike inference as to the 60-percent payments under the 1916 contract, without application for certiorari.

The instant suits were subsequently instituted by the executors and trustees of James W. Cannon, deceased, in the district court at Raleigh, N.C. The first resulted because revenue agents added $312,071.85 of the 1917 controverted payments made the partnership to Cannon's conceded share of the partnership profits, then assessed against him a corresponding tax of $162,818.02 for 1917. An additional assessment of $713,797.82 was made against him in 1918, based on payments by the three excepted mills for that year. Both assessments were paid under protest, and recovery thereof, with interest, sought by separate counts in the first case.

The second action resulted from similar treatment of payments in 1919, during which the parties, apparently at the instance of Leslie and Glynn, permitted a modification of the partnership contract whereby but two mills were excepted, and the partners made tax returns accordingly. Whereas, the revenue agents assessed a tax of $628,108.01 against Cannon on commissions paid by the two excepted mills during 1919, which Cannon paid under protest.

Both complaints related a history of the New York litigation, its defense by Government counsel, its final termination, and the precise stock ownership of Cannon family members in the three originally excepted mills. We felt the decision therein noncontrolling, but its persuasive effect was recognized, particularly seeing the able judges who rendered opinions. The record and briefs in the case revealed:

(a) An attack on the legal form of the executed contracts involved, hence the adverse ruling, if sound, would not be lightly disregarded in considering their real character for taxing purposes (*United States* v. *Isham* (17 Wall, 496)).

(b) An unsuccessful attack on the real character of the contracts and a deliberate decision that if resorted to, "for the purpose of evading taxation", this was "at best immaterial" because, as ruled in the Isham case, when "carried out by the means of legal forms, it is subject to no legal censure" (see also *Gould* v. *Gould* (245 U.S. 151); *Weeks* v. *Sibley* (296 F. (D.C.Tex.) 158); *Fraser* v. *Nants, Collector* (8 F. (2d) (D.C.Ohio) 106)).

(c) Despite that the interested counsel alternately proposed "a picture of the whole transaction" (p. 71, 177 Rec. Ct. App.), there was not a complete picture, and at one stage (p. 18304) a proposed investigation was objected to because not "within the pleadings"—the defense was in substance a general denial.

From the information then available, it was believed defense of instant suits involved possibilities of—

(1) Renewed insistence that the contract documents, interpreted in the light of any additional pertinent facts that might be developed, formally rendered the controverted income that of Cannon, or, at least, left its status in fair doubt.

(2) Regardless of form, upon any additional facts, the contractual arrangement and practices indulged might be but a cover whereby to reduce taxation of income that was really Cannon's.

(3) Treating controverted moneys as consideration moving to Cannon for his goodwill and connections under the 1916 contract, and assess his taxes accordingly.

(4) Waiving interest of Cannon in the controverted moneys, ascertain if he was adequately assessed otherwise for the periods involved (1917–19, inclusive); if not, assess and claim corresponding credits.

(5) Likewise as to assessment for years immediately prior and subsequent to the period involved, if not barred by limitation. S.M. 4170 (Int. Rev. Bull. IV–39–2371) September 28, 1925.

In any view, a knowledge of all pertinent facts during the particular periods, immediately prior and subsequent, was deemed essential. It was believed that all legal credits could be availed of under the general issue *New York Life Insurance Co.* v. *Anderson, Collector* (263 F., 527, 530; 5 C.J., 1405) but, as a precaution, broader defenses were framed, which resulted in plaintiffs' motions for bills of particulars. See mine December 15, 1928.

Since a worth-while investigation involved reexamination of books, papers, and other data pertaining to affairs of J. W. Cannon and the various mills for years 1916–21, and was not a matter of right (there had been previous examinations and reports by revenue agents) it was arranged through plaintiffs' New York counsel and occupied two accountants for several weeks, a condition being that plaintiffs' counsel should have a summary of the findings.

Independently, a history of the Maine corporation and its activities was traced; numerous and extensive bank, brokerage, and trust accounts of Mr. Cannon and his wife in New York institutions were summarized; also his tax returns, protests, briefs, and divers revenue agents' reports covering the years under investigation. The data thus assembled, reports, exhibits, etc., weigh near 50 pounds, and engaged our accountants for months. Practically the same course was indulged by plaintiffs' counsel through two outstanding accounting firms, costing over $70,000, as they informed me.

The result of our full investigations tended to show—

(a) The contract documents were conceived and prepared by plaintiffs' very eminent New York counsel.

(b) The Maine corporation was created and functioned under their supervision solely as a cog in the designed machinery, and only so long as necessary to the program entered on.

(c) During the period involved, Mr. Cannon indulged "wash sales" which uniformly reduced his taxes on a large scale, selling and buying through different offices, sometimes in his own name, again in his wife's, and, by means of more than one trading account, rendered knowledge of the exact facts difficult of procurement.

(d) With like transaction result, Cannon and his wife bought, sold, and traded extensively in stocks inter se.

(e) Cannon probably owed taxes largely in excess of his 1916 assessment—worthless as evidence save for psychological purposes, since without the period involved.

(f) But his aggregate questionable tax reductions during the period involved, plus any addition resulting from the $95,481.98 commissions paid the partnership under the 60-percent arrangement in 1917, was probably less than $100,000.

A careful study of the facts and law induced the conviction that our defenses were reduced to substantially two contentions:

First. A dual assault of the contract documents, for that their conception, form, intent, and effect was to cover the lawful income of J. W. Cannon.

Second. Inadequacy of assessments against Cannon for years 1917–19 only, not exceeding $100,000, independent of the Cannon Mills controversies.

Obviously, the first contention would be materially strengthened by the factual background previously outlined. So, assuming, after survey of the reasonable possibilities, full interchange with departmental representatives, my office associates, the Government accountants, and mindful always of present-day psychology that the law's policy alone may sometimes be actionably infracted (*Bullen* v. *Wisconsin*, 240 U.S. 630–1), I considered the settlement negotiated an excellent one for the Government, altogether aside from the fact that it terminated two prospectively long-drawn-out, expensive, and vigorous litigations, wherein I had been unable to induce a consolidation. Hence my recommendation of December 15 last, for reasons there and herein shown.

It is noteworthy that as numerous conferences with plaintiffs' counsel progressed I seemed to sense a waning of their confidence, more marked after our arguments and briefs over their motions for bills of particulars and the denial thereof, and think the settlement negotiations were both propitiously entered on and consummated.

Perhaps I may consistently here record that District Judge Isaac M. Meekins impressed me as alert, keen, of good poise, and ability, and I found District Attorney Irvin B. Tucker a careful, clear-headed, capable lawyer, obliging and ever ready to assist me.

Throughout I have enjoyed splendid cooperation, most helpful suggestions of Assistant Attorney General Mabel Walker Willebrandt and Special Assistant Sewall Key and have had very timely suggestions from Assistant Attorney General John Marshall.

The files will confirm a necessity for my unusual travel and absence from headquarters (Chattanooga), the volume and character of service rendered by me, aided by my efficient office force, on whom I have drawn most liberally, and that all the extensive correspondence, briefing, filing, etc., have been handled by our office force with facilities furnished by us—all at my expense.

My expense accounts are being made up, will be filed during the month, and disposition of our massive files awaits your direction. For reasons put forward about the time these engagements were entered on, my commission was changed (see correspondence Apr. 16–24, 1926) to read:

"You will be allowed reasonable compensation at the conclusion of your services."

Wherefore, I deferentially propose a conference at your convenience, with the assurance that service under my commission herein has afforded me great pleasure. I esteem it indeed a most honorable distinction for the commission to have been tendered me, and remain, with great respect,

Faithfully yours,

WHITE B. MILLER,
Special Assistant.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., March 29, 1930.

Hon. KENNETH MCKELLAR,
United States Senate.

DEAR SENATOR: I have your letter of March 25, with its enclosures relating to the claim of the estate of White B. Miller against the United States for compensation for legal services rendered by Mr. Miller during his lifetime.

My position in this matter is set forth in my letter to the Director of the Bureau of the Budget dated December 7, 1929, a copy of which letter I am herewith enclosing. The Director felt that, in view of the statutory limitation of $10,000 per annum for compensation of attorneys engaged by the United States, he was not justified in recommending that this item be included in a general appropriation bill.

Should a properly drafted bill be introduced providing for the payment of $25,000 to Mr. Miller's estate, I would favor its enactment.

Yours very truly,

WILLIAM D. MITCHELL,
Attorney General.

CHARGES ON IRRIGATION PROJECTS

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

Mr. LONG. Mr. President, I wish to make a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. I understand we started consideration of the calendar prior to the point where this bill appears.

The VICE PRESIDENT. The Chair will state that the agreement was that the calendar should be called from a certain number and then when the calendar had been gone through with that the Senate should recur to the beginning of the calendar.

Mr. LONG. I inquire what happened to Order of Business No. 420, being Senate bill 2018?

The VICE PRESIDENT. That bill went over.

Mr. LONG. Very well. Thank you.

The VICE PRESIDENT. Is there objection to the consideration of Senate bill 3544?

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

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to extend to water users on Indian irrigation projects during the calendar year 1934 like relief to that provided in the acts of January 26, 1933 (47 Stat. 776), and March 3, 1933 (47 Stat. 1427), applicable to the calendar years 1931 and 1933.

BILL INDEFINITELY POSTPONED

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

The VICE PRESIDENT. The Chair is advised that a House bill similar to the Senate bill just called was passed on March 29 and suggests that the Senate bill should be indefinitely postponed.

Mr. ROBINSON of Arkansas. I move that Senate bill 2768 be indefinitely postponed.

The motion was agreed to.

CHARLES E. WILSON

The Senate proceeded to consider the bill (S. 63) for the relief of Charles E. Wilson, which had been reported from the Committee on Military Affairs with an amendment on page 1, line 9, after the article "the", to strike out "22d" and insert "20th", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Charles E. Wilson, who was a member of Battery N, Fifth Regiment United States Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 20th day of September 1899: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

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

BILL PASSED OVER

The bill (S. 1578) to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want was announced as next in order.

Mr. ROBINSON of Arkansas. At the request of the Senator from Oklahoma [Mr. GORE] for the same reason stated by him a few moments ago, I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

ESTATES OF ABSENTEES AND ABSCONDERS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 2685) to provide for the conservation and settlement of estates of absentees and absconders in the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments. The first amendment was in section 3, page 3, line 16, after the word "claim", to insert "of record"; in line 17, after the word "property", to insert "or who are known by the petitioner to claim an interest in said property"; so as to make the section read:

SEC. 3. Upon the return of such warrant, the court may issue a notice reciting the substance of the petition, the warrant and the marshal's return, which shall be addressed to such absentee and to all persons who claim of record an interest in said property or who are known by the petitioner to claim an interest in said property, and to all whom it may concern, citing them to appear at a time and place named and show cause why a receiver of the property named in the marshal's schedule should not be appointed and said property held and disposed of under the provisions of this act.

The amendment was agreed to.

The next amendment was in section 4, page 3, line 24, after the word "date", to insert "unless otherwise ordered by the court", and on page 4, line 1, after the word "published", insert "not less than"; so as to make the section read:

SEC. 4. The return day of said notice shall be not less than 30 nor more than 60 days after its date, unless otherwise ordered by the court. The court shall order said notice to be published not less than once in each of the 3 successive weeks in one or more newspapers within the District of Columbia, and a copy to be posted in a conspicuous place and upon each parcel of land named in the marshal's schedule, and a copy to be mailed to the last-known address of such absentee. The court may order other and further notice to be given within or without the District of Columbia.

The amendment was agreed to.

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

LOANS TO KLAMATH AND OTHER INDIANS IN OREGON

The bill (S. 3291) providing for a reimbursable loan to the Klamath and Modoc Tribe of Indians and the Yahooskin Band of Snake Indians, State of Oregon, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any funds in the Treasury not otherwise appropriated, the sum of $306,800 for the use and benefit of the Klamath and Modoc Tribe of Indians and the Yahooskin Band of Snake Indians of the Klamath Indian Reservation in the State of Oregon, which said sum shall be reimbursable to the United States from future accruals to the tribal funds of said Indians in not less than three annual installments, the first of which shall be due and payable 1 year after the approval of this act and the remaining 2 installments in 2 and 3 years, respectively, from the date of the approval of this act.

SEC. 2. The Secretary of the Interior be, and he is hereby, authorized, under such rules and regulations as he may prescribe, to pay said sum to said Indians by per capita payment, or place the amount to the credit of the individual Indians entitled thereto, to be handled as other individual Indian moneys and disbursed upon proper authority, for the improvement of homes, purchase of livestock, or other industrial, educational, or health purposes: *Provided, however*, That not to exceed 25 percent of the amount due individual Indians hereunder may, in the discretion of the Secretary of the Interior, be used to curtail obligations of such individual Indians to the United States or to the Klamath Indian Tribe incurred through reimbursable loans heretofore made to such Indians.

HEARING OF CLAIMS AGAINST THE UNITED STATES

The bill (S. 3517) authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted, etc., That the Court of Claims is hereby authorized to hear, consider, and adjudicate the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles for services rendered and expenses incurred in connection with the identification, enrollment, removal, allotment, and subsistence of Mississippi Choctaw Indians to enable them to acquire citizenship in the Choctaw Nation of Oklahoma, and to render judgment therein in such amount as may be found to be legally or equitably due each claimant, after deducting such sum or sums the claimant may have collected or received from the Indian or Indians benefited by the said services or expenses: *Provided*, That nothing herein contained shall be construed to create any obligation not heretofore existing in law or equity against the United States in its governmental capacity or as trustee for the individual Indians receiving the benefit of such services and/or expenses: *Provided further*, That the jurisdiction hereby conferred shall be limited to claims for services rendered and expenses incurred on behalf only of such Indian or Indians as were enrolled as citizens of the Choctaw Nation under the provisions of the Choctaw-Chickasaw supplemental agreement approved by the act of July 1, 1902, and ratified by the Choctaws and Chickasaws on September 25, 1902 (32 Stat. 641, 651–652), and the provisions of this act shall not be construed as authorizing the consideration or adjudication of any claim for services rendered and expenses incurred on behalf of any person not so enrolled.

SEC. 2. No claim herein authorized to be submitted to the Court of Claims shall be heard or adjudicated by the court unless a petition duly verified by affidavit of the claimant or by his heirs, executors, or administrators, or by his or their agent or attorney, shall be filed within 1 year from the date of this enactment, failing in which the claim shall be forever barred. The petition shall fully set forth the claim, what persons are owners thereof or interested therein, and when, and upon what consideration, such persons became so interested. The petition shall further set forth that no assignment or transfer of said claim or any part thereof or interest therein has been made, except as set forth in the petition; that the claimant is justly entitled to the amount therein claimed from the United States after allowing all just credits and offsets, and that the petitioner believes the facts as stated in the petition are true. The said petition shall contain an itemized statement of the amount or amounts claimed to be due, together with a full accounting for all sums had and received from the Indian or Indians benefited by the services rendered and expenses incurred.

SEC. 3. All judgments and decrees entered by the Court of Claims under the provisions of this act shall be subject to review by the Supreme Court as provided in section 3 of the act of February 13, 1925 (43 Stat. 936, 939).

SEC. 4. The Attorney General, or his assistants under his direction, shall appear for the defense and protection of the interests of the United States in all actions filed in the Court of Claims under the provisions of this act, with the same power to interpose counterclaims, offsets, defenses for fraud practiced or attempted to be practiced by claimants, and other defenses, in like manner as he is required to defend the United States in other suits in said court.

SEC. 5. That in the hearing of any suit or suits brought in said court under the provisions of this act the Court of Claims is hereby authorized to admit in evidence with such weight as to the court may seem proper all depositions and other competent evidence introduced in evidence and constituting a part of the record in said court in the case entitled "Estate of Charles F. Winton and others against Jack Amos and others", docket no. 29,821.

DAMAGES BY EXTENSION OF M'KINLEY NATIONAL PARK

The Senate proceeded to consider the bill (S. 2238) to provide for the payment of damages to certain residents of Alaska caused by reason of extending the boundaries of Mount McKinley National Park, which had been reported from the Committee on Claims with an amendment, in section 2, page 2, line 20, after the word "and", to strike out "the decision of the said court shall be final", and insert "the Court of Claims is hereby given jurisdiction to hear said appeal to judgment"; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to ascertain and determine, either from such investigations as he has heretofore caused to be made, or in any other manner he may deem necessary, the amount of property losses and damages, if any, sustained by C. L. Plumb, D. E. Stubbs, and other residents of Alaska, who are citizens of the United States and property owners within the area included within the boundaries of Mount McKinley National Park under and by virtue of the Act of Congress entitled "An act to revise the boundary of the Mount McKinley National Park, in the Territory of Alaska, and for other purposes", approved March 19, 1932 (Public, No. 63, 72d Cong.). Such determination by the Secretary of the Interior shall be made only after the persons claiming to have sustained such property losses and damage shall have filed claims for the same with the Secretary: *Provided, however*, That all such claims shall be filed within 90 days after the date of the enactment of this act.

SEC. 2. The Secretary of the Interior shall, as soon as possible after the expiration of the period for filing such claims, determine the amount of such losses and damage and shall advise each claimant in writing by registered mail of his determination, and any claimant shall have the right, within 6 months after the receipt of such advice regarding his determination, to appeal from the decision and determination of the Secretary of the United States Court of Claims, and the Court of Claims is hereby given jurisdiction to hear said appeal to judgment.

SEC. 3. There is hereby authorized to be appropriated the sum of $75,000, or so much thereof as may be necessary, for the purposes of this act, and the Secretary of the Interior is hereby directed to cause payment to be made of the sums determined by him, or by the United States Court of Claims on appeal from his determination, to be due to the respective claimants. Such payments shall be made upon such vouchers as the Secretary may prescribe.

The amendment was agreed to.

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

PROTECTION OF SEA LIONS

Mr. McNARY. Mr. President, I inquire what became of Order of Business 1107, being Senate bill 3525 to repeal certain laws providing for the protection of sea lions in Alaska waters?

The VICE PRESIDENT. The Chair is advised that a House bill on the same subject was passed and that the

Senate bill referred to by the Senator from Oregon was indefinitely postponed.

Mr. McNARY. Mr. President, I was requested by the senior Senator from South Dakota [Mr. NORBECK] to ask that that bill go over in his absence. I do not recall that bill being considered.

The VICE PRESIDENT. The Chair is advised that the Senate passed the House bill, occurring at a later point on the calendar, in lieu of the Senate bill, and that the Senate bill was thereupon indefinitely postponed.

Mr. McNARY. In view of the statement I have made, I ask unanimous consent that the vote by which the House bill was passed be reconsidered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Oregon why he desires to reconsider the vote by which the bill was passed? An amendment was proposed by the Senator from Washington [Mr. DILL] which was agreed to and which I believe meets the purposes of the Senator from Oregon, in all probability.

Mr. McNARY. I do not know about that, but I do know there is a great deal of opposition to the bill. The Senator from South Dakota [Mr. NORBECK] a few years ago made a special trip and a special study of the problem. At his request, and in his absence, I think, in all fairness, the vote ought to be reconsidered.

Mr. ROBINSON of Arkansas. Very well.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

Mr. WALCOTT subsequently said: Mr. President, I should like to return for just a moment to the consideration of House bill 8639, to repeal certain laws providing for the protection of sea lions in Alaska waters.

Mr. McNARY. Mr. President, when that bill was reached today I objected to its consideration on account of the absence of the Senator from South Dakota. I have conferred with him, and he is satisfied with the bill with the amendment offered by the Senator from Washington [Mr. DILL].

The VICE PRESIDENT. The Senator from Connecticut asks to return to the consideration of House bill 8639, to repeal certain laws providing for the protection of sea lions in Alaska waters. Is there objection?

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

The VICE PRESIDENT. The vote by which the bill was passed having been reconsidered earlier today, the question now is on the passage of the bill.

The bill was passed.

Mr. STEIWER. I understood that an amendment was to be offered to the bill.

The VICE PRESIDENT. The amendment has been agreed to, and the bill has passed.

Mr. SEIWER. Then I shall not object.

Mr. ROBINSON of Arkansas. Has the bill been disposed of the second time?

The VICE PRESIDENT. It has.

Mr. ROBINSON of Arkansas. Then I express the hope that it may remain disposed of.

ASSOCIATIONS OF PRODUCERS OF AQUATIC PRODUCTS

The bill (S. 3589) authorizing associations of producers of aquatic products was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That persons engaged in the fishery industry, as fishermen, catching, collecting, or cultivating aquatic products, or as planters of aquatic products on public or private beds, may act together in associations, corporate or otherwise, with or without capital stock, in collectively catching, producing, preparing for market, processing, handling, and marketing in interstate and foreign commerce, such products of said persons so engaged.

The term "aquatic products" includes all commercial products of aquatic life in both fresh and salt water, as carried on in the several States, the District of Columbia, the several Territories of the United States, the insular possessions, or other places under the jurisdiction of the United States.

Such associations may have marketing agencies in common, and such associations and their members may make the necessary contracts and agreements to effect such purposes: *Provided, however*, That such associations are operated for the mutual benefit of the members thereof and conform to one or both of the following requirements:

First. That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; or

Second. That the association does not pay dividends on stock or membership capital in excess of 8 percent per annum.

and in any case to the following:

Third. That the association shall not deal in the products of nonmembers to an amount greater in value than such as are handled by it for members.

SEC. 2. That if the Secretary of Commerce shall have reason to believe that any such association monopolizes or restrains trade in interstate or foreign commerce to such an extent that the price of any aquatic product is unduly enhanced by reason thereof, shall serve upon such association a complaint stating his charge in that respect, to which complaint shall be attached, or contained therein, a notice of hearing, specifying a day and place not less than 30 days after the service thereof, requiring the association to show cause why an order should not be made directing it to cease and desist from monopolization or restraint of trade. An association so complained of may at the time and place so fixed show cause why such order should not be entered. The evidence given on such a hearing shall be taken under such rules and regulations as the Secretary of Commerce may prescribe, reduced to writing, and made a part of the record therein. If upon such hearing the Secretary of Commerce shall be of the opinion that such association monopolizes or restrains trade in interstate or foreign commerce to such an extent that the price of any aquatic product is unduly enhanced thereby, he shall issue and cause to be served upon the association an order reciting the facts found by him, directing such association to cease and desist from monopolization or restraint of trade. On the request of such association or if such association fails or neglects for 30 days to obey such order, the Secretary of Commerce shall file in the district court in the judicial district in which such association has its principal place of business a certified copy of the order and of all the records in the proceedings together with a petition asking that the order be enforced and shall give notice to the Attorney General and to said association of such filing. Such district court shall thereupon have jurisdiction to enter a decree affirming, modifying, or setting aside said order, or enter such other decree as the court may deem equitable, and may make rules as to pleadings and proceedings to be had in considering such order. The place of trial may, for cause or by consent of parties, be changed as in other causes.

The facts found by the Secretary of Commerce and recited or set forth in said order shall be prima facie evidence of such facts, but either party may adduce additional evidence. The Department of Justice shall have charge of the enforcement of such order. After the order is so filed in such district court and while pending for review therein, the court may issue a temporary writ of injunction forbidding such association from violating such order or any part thereof. The court shall, upon conclusion of its hearing, enforce its decree by a permanent injunction or other appropriate remedy. Service of such complaint and of all notices may be made upon such association by service upon any officer, or agent thereof, engaged in carrying on its business, or on any attorney authorized to appear in such proceeding for such association and such service shall be binding upon such association, the officers and members thereof.

WARRANT OFFICERS OF THE COAST GUARD

The bill (H.R. 8644) to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy was considered, ordered to a third reading, read the third time, and passed.

INGRAM-DAY LUMBER CO.

The Senate proceeded to consider the bill (S. 854) for the relief of the Ingram-Day Lumber Co., which had been reported from the Committee on Claims, with amendments, on page 1, line 6, to strike out "$53,691", and insert "$42,789.96", and to add a proviso at the end of the bill so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Ingram-Day Lumber Co., a Wisconsin corporation, the sum of $42,789.96, in full satisfaction of its claim against the United States Shipping Board Emergency Fleet Corporation and against the estate of Sydney C. McLouth, of Marine City, Mich., for damages arising out of the breach of a contract under which the said Sydney C. McLouth agreed to purchase from the said Ingram-Day Lumber Co. certain lumber which was to be used in the manufacture of tugs for the said United States Shipping Board Emergency Fleet Corporation: *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, with-

hold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

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

BILL PASSED OVER

The bill (S. 3266) to amend the Railway Labor Act, approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees, was announced as next in order.

Mr. FESS. Mr. President, there is a minority report on the bill. It had better go over.

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

JAMES MOFFITT

The bill (H.R. 363) for the relief of James Moffitt was considered, ordered to a third reading, read the third time, and passed.

RESOLUTION PASSED OVER

The resolution (S.Res. 242) authorizing the appointment of a committee to receive evidence and take testimony in impeachment trials was announced as next in order.

Mr. JOHNSON. Over.

The VICE PRESIDENT. The resolution will be passed over.

DOMINICK EDWARD MAGGIO

The bill (S. 429) for the relief of Dominick Edward Maggio was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Navy Dominick Edward Maggio shall be held and considered to have been honorably discharged from the United States Navy on the 24th day of September 1924: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act.

LEO JAMES M'COY

The bill (S. 430) for the relief of Leo James McCoy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Navy Leo James McCoy shall be held and considered to have been honorably discharged from the United States Navy on the 10th day of August 1924: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

RAY FUNCANNON

The bill (S. 630) for the relief of Ray Funcannon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Navy Ray Funcannon shall be held and considered to have been honorably discharged from the United States Navy on the 28th day of May 1926: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

MICHAEL F. CALNAN

The bill (S. 2787) for the relief of Michael F. Calnan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Marine Corps, Michael F. Calnan shall be held and considered to have been honorably discharged from the United States Marine Corps on the 14th day of August 1902: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

SUSQUEHANNA RIVER BRIDGE, YORK FURNACE, PA.

The bill (H.R. 9326) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa., was considered, ordered to a third reading, read the third time, and passed.

SUSQUEHANNA RIVER BRIDGE, MIDDLETOWN, PA.

The bill (H.R. 9401) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa., was considered, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF EXPENDITURES IN SENATORIAL CONTESTS

The resolution (S.Res. 173) creating a special committee to investigate contributions and expenditures in senatorial contests in 1934, was announced as next in order.

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

Mr. LONG. Mr. President, reserving the right to object, I have no objection to the resolution if the Senator from Missouri [Mr. CLARK] will consent to the elimination, on page 1, of lines 8, 9, 10, and 11, and the words "interest but", on page 2, line 1. With the elimination of those words I should have no objection to the adoption of the resolution.

Mr. JOHNSON. Mr. President, just what are the words the Senator seeks to have eliminated?

Mr. LONG. I would leave the resolution granting the committee the right to investigate campaign expenditures, campaign subscriptions, and anything pertaining to the expenditure of money or subscriptions of money, corrupt or otherwise, but I propose to eliminate the surplusage of words of which nobody has ever known the meaning or which at least no one has ever undertaken to interpret. It would leave the resolution effective, so far as the effective understanding of it goes, enabling the committee to investigate campaign expenditures.

My proposal is, may I say to the Senator from California, to strike out, on page 1, beginning with line 8, as follows:

Not only as to the subscriptions of money and expenditures thereof, but as to the use of any other means or influence, including the promise or use of patronage, and all other facts in relation thereto which would not only be of public interest, but.

I am proposing to strike out that surplusage which has never meant anything to the Senate, but the abuse of which appears to be very possible, leaving the committee with about all the authority such a committee has ever been possible to claim under such a resolution. I believe the amendment does not destroy the efficacy of the resolution.

The VICE PRESIDENT. Is there objection to the consideration of the resolution under the reservation laid down by the Senator from Louisiana?

Mr. CLARK. Mr. President, I entirely disagree with the Senator from Louisiana that the language which he seeks to strike out is surplusage. The resolution in its present form is exactly in the form which has been adopted by two or three previous Congresses, with the addition in this resolution of a provision making it mandatory for the committee to go into a State in which a primary is to be held, before the primary, if a complaint is filed, supported by affidavit on information and belief, by any candidate for the United States Senate or his responsible manager.

The provision which the Senator from Louisiana seeks to strike out is simply to cover the field of possible violations of the corrupt practices act. It is as much a violation of the corrupt practices act for a candidate for the United States Senate to buy votes by promising office or promising any political favor as it is to buy votes by the expenditure of money. I believe the language which the Senator from Louisiana seeks to strike out should remain in the resolution.

However, realizing the situation in the closing days of the session and believing a very material amount of good may be accomplished by the committee even with the amendment which the Senator from Louisiana desires to make, and rather than have it fail entirely, I am willing to accept the amendment of the Senator from Louisiana.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana which will be stated.

The CHIEF CLERK. It is proposed, on page 1, line 7, after the words "all facts in relation thereto", to strike out:

Not only as to the subscriptions of money and expenditure thereof but as to the use of any other means or influence, including the promise or use of patronage, and all other facts in relation thereto which would not only be of public interest but;

So as to make the resolution read:

Resolved, That a special committee consisting of five Senators to be appointed by the Vice President is hereby authorized and directed to investigate the campaign expenditures of the various candidates for the United States Senate, in all parties, the names of the persons, firms, or corporations subscribing, the amount contributed, the method of expenditure of said sums, and all facts in relation thereto, which would aid the Senate in enacting any remedial legislation or in deciding any contests which might be instituted involving the right to a seat in the United States Senate.

No Senator shall be appointed upon said committee from a State in which a Senator is to be elected at the general election in November 1934.

The investigation hereby provided for, in all the respects above enumerated, shall apply to candidates and contests before primaries and conventions, and the contests and campaign terminating in the general election in November 1934: *Provided*, That where complaint in writing, supported by affidavit of probable cause upon information and belief by any candidate of any party, or his authorized manager, is filed at least 20 days before the date of the primary or convention, the committee or duly authorized subcommittee shall immediately investigate the charges made in the complaint.

Said committee is hereby authorized to act upon its own initiative and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made before said committee, under oath, by any person, persons, candidate, or political committee, setting forth allegations as to facts which, under this resolution it would be the duty of said committee to investigate, the said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon said complaint, the committee shall find that the allegations in said complaint are immaterial or untrue.

Said committee is hereby authorized, in the performance of its duties, to sit at such times and places, either in the District of Columbia or elsewhere, as it deems necessary or proper. It is specifically authorized to require the attendance of witnesses by subpena or otherwise; to require the production of books, papers, and documents; to employ counsel, experts, and clerical and other assistants; and to employ stenographers at a cost not exceeding 25 cents per 100 words.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee. The chairman of said committee or any member of any subcommittee may administer oaths to witnesses and sign subpenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or who appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law.

The expenses of said investigation, not exceeding in the aggregate $25,000, shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee or the chairman of any subcommittee.

All hearings before said committee shall be public, and all orders or decisions of the committee shall be public.

The committee shall make a full report to the Senate on the first day of the first session of the Seventy-fourth Congress.

The amendment was agreed to.

The resolution as amended was agreed to.

CAROLINE M. EAGAN

The Senate proceeded to consider the bill (H.R. 194) to refund to Caroline M. Eagan income tax erroneously and illegally collected, which had been reported from the Committee on Claims with an amendment, on page 1, line 9, after the numerals "1925", to strike out "together with interest thereon at the rate allowed by law from overpayments of internal-revenue taxes", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund and pay, out of any money in the Treasury not otherwise appropriated, to Caroline M. Eagan, Eagan Apartment, Board Walk and Florida Avenue, Atlantic City, N.J., the sum of $10,950.19 for income tax erroneously and illegally collected from her for the calendar year 1925: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

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

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H.R. 5736) for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller, was announced as next in order.

Mr. NEELY. Over.

The VICE PRESIDENT. The bill will be passed over.

MORGAN DECORATING CO.

The Senate proceeded to consider the bill (S. 3516) for the relief of the Morgan Decorating Co., which had been reported from the Committee on Claims with an amendment on page 2, line 7, after the words "the sum of", to strike out "$6,912, together with interest thereon at 6 percent per annum from April 18, 1931", and to insert in lieu thereof "$5,000", so as to make the bill read:

Whereas the United States, acting through the Bureau of Indian Affairs, Department of the Interior, in the fall of 1930, entered into a contract with certain persons doing business under the name of Morgan Decorating Co., residing at Devils Lake, N.Dak., in which the said Morgan Decorating Co. was employed to do certain painting and decorating in connection with the construction of a hospital, school, and nurses' home at the Turtle Mountain Indian Agency, Belcourt, N.Dak., and in such agreement and contract the said Morgan Decorating Co. were requested and directed to hold their entire force in readiness, not only to complete such work at said agency but additional work of like kind in connection with the construction and repair of various buildings in other parts of the country under the jurisdiction of the Bureau of Indian Affairs; and

Whereas the said Morgan Decorating Co. relied upon such agreement and accepted such instructions in good faith and declined other contracts and labor and held themselves in readiness at all times to perform work that might be assigned to them in accordance with such contract for a period of 4½ months; and

Whereas the Bureau of Indian Affairs thereafter, without excuse or justification, failed in all respects to carry out the terms of said contract and finally refused to permit the said Morgan Decorating Co. to perform the work, or any part of it, covered by said contract, although they, the Morgan Decorating Co., stood ready, able, and willing at all times to perform the same, with the result that said Morgan Decorating Co. was left without employment or other work for a period of 4½ months, all through no fault on their part; and

Whereas the said Morgan Decorating Co. sustained a loss by reason of such breach of contract in the sum of $6,912: Therefore

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Morgan Decorating Co. of Devils Lake, N.Dak., the sum of $5,000 in full settlement of all claims against the United States for damages sustained by the said Morgan Decorating Co. by virtue of the breach on the part of the United States of a contract made and entered into between the Bureau of Indian Affairs and said Morgan Decorating Co. in the fall of 1930 for certain painting and decorating in connection with the construction of a hospital, school, and nurses' home at the Turtle Mountain Indian Agency, Belcourt, N.Dak.

The amendment was agreed to.

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

The preamble was agreed to.

BILL PASSED OVER

The bill (S. 3326) to amend the Agricultural Adjustment Act, and for other purposes, was announced as next in order.

Mr. BACHMAN. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

AGENTS OF DIVISION OF INVESTIGATION

The bill (S. 3075) to permit the appointment of special agents of the Division of Investigation as State officers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is authorized to appoint as special agents in the Division of Investigation, Department of Justice, two men from each State from a list of names to be submitted by the Governor of each State. Such special agents shall undergo training in the school for special agents in the Division of Investigation, and upon the successful completion of such training, shall return to their respective States

and may, notwithstanding the provisions of any law of the United States or of any Executive order to the contrary, be commissioned as special State officers and clothed with such authority as may be permissible under the laws of such State.

SEC. 2. Such special agents shall perform the duties assigned to them by the Attorney General in connection with the detection of crimes against the United States, and such assignments or orders of the Attorney General shall take precedence over any assignments or orders of any State officials.

INVESTIGATION OF AGRICULTURAL INCOME, ETC.

Mr. WHEELER. Mr. President, when Senate Joint Resolution 124 was called up previously it was passed over, on the suggestion of the Senator from Michigan [Mr. VANDENBERG], because of the absence at that time of the Senator from Rhode Island [Mr. HEBERT].

I have just conferred with the Senator from Rhode Island with reference to the joint resolution; and he suggests that if the joint resolution shall be amended so as to cut down the authorized appropriation to $150,000 he will have no objection to its consideration. The Department of Agriculture is very anxious to have the joint resolution passed, and the commission merchants are anxious to have it passed. I ask to return to it.

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

There being no objection, the Senate proceeded to consider the joint resolution (S.J.Res. 124) authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally, which had been reported from the Committee on Agriculture and Forestry, with amendments.

The first amendment was in section 5, page 6, line 20, after the words "sum of", to strike out "$50,000" and insert "$250,000", so as to read:

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000—

And so forth.

Mr. WHEELER. In lieu of the committee amendment, I move to insert "$150,000."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Montana to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was in section 6, page 7, line 5, after "July 1", strike out "1935" and insert "1936", so as to make the section read:

SEC. 6. The Federal Trade Commission is directed to present an interim report to the Congress on January 1, 1935, describing the progress made and the status of its work hereunder, and a final report with recommendations for legislation not later than July 1, 1936.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, and the preamble was agreed to, as follows:

Authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally.

Whereas the decline in agricultural income and the unsatisfactory condition of agriculture and of those engaged therein is a matter of increasing concern to the Congress, and affects the general welfare of the Nation and its citizens; and

Whereas in recent years the agricultural income has decreased while the earnings and profits of concerns processing or dealing in certain lines of farm products have increased or declined only moderately; and

Whereas there has developed an increasingly large proportionate spread between the prices received by the farmer for his products and the prices paid therefor by the consumer; and

Whereas, according to the latest statistics of income published by the Bureau of Internal Revenue, 22 large corporations reported making over 45 percent of the gross sales of all corporations engaged in the processing and manufacture of food products in 1931, and 102 large corporations reported making 60 percent of the gross sales of such corporations; and

Whereas it is charged that monopolistic, oppressive, and unfair methods and practices of various middlemen, processors, manufacturers, packers, and handlers are in whole or in part responsible for the conditions above described, and that wasteful and uneconomic methods have contributed toward bringing about these conditions; and

Whereas it is charged that said various middlemen, processors, manufacturers, packers, handlers, and others have violated the various antitrust laws of the United States, that they have burdened, restricted, and restrained interstate and foreign commerce and adversely affected the volume and price of farm products moving in intrastate and foreign commerce; and

Whereas it is charged that many lines of processing or dealing in farm products are so dominated by a handful of large concerns as to impede the free flow of interstate and foreign commerce to the detriment of both the farmer and the consumer; and

Whereas it is charged that through the payment of high and excessive salaries and other devices said middlemen, processors, manufacturers, packers, and others escape just taxation by the United States, that said salaries tend unduly to diminish the tax revenues of the United States and tend to burden and restrain interstate and foreign commerce in farm products, and to divert and conceal the earnings and profits of the concerns paying said salaries, and that by various devices those receiving said salaries escape their just share of Federal taxation; and

Whereas it is believed that the Congress should consider whether new legislation should be enacted or existing legislation amended on any of the subjects hereinbefore described and in aid thereof should be informed on all of said subjects: Therefore be it

Resolved, etc., That the Federal Trade Commission is hereby authorized and directed to investigate and report, at the next session of Congress—

First. (1) The extent of the decline in agricultural income in recent years, including the amount and percentage of such decline;

(2) The extent of the increases or decreases in recent years in the income of the principal corporations and other manufacturers and/or processors of the principal farm products, as compared with the decline in agricultural income, including the amount and percentage of such changes; and

(3) The proportion of total consumer cost of representative products manufactured or processed from the principal farm products which is represented by the proceeds received by (a) the farmer, (b) the manufacturers and processors, and (c) the distributors of such principal farm products and such representative products manufactured therefrom.

Second. The financial position of the principal corporations engaged in the manufacturing, processing, distribution, and marketing of the representative major products manufactured from such principal farm products, including—

(1) The capitalization and assets of such corporations and the means and sources of the growth of such capitalization and assets;

(2) The investment, costs, profits, and rates of return of such corporations;

(3) The salaries of the officers of such companies; and

(4) The extent to which said corporations avoid income taxes, if at all, and the extent to which officers receiving such salaries paid income taxes thereon.

Third. The extent of concentration of control and of monopoly in the manufacturing, processing, distribution, and marketing of representative major farm products which is maintained or has been obtained by any corporation or other organization, including—

(1) Methods and devices used by such corporations for obtaining and maintaining their control or monopoly of the manufacturing, marketing, processing, and distribution of such commodities, and the proportion of any such major farm commodity handled by each of the large units involved; and

(2) The extent to which fraudulent, dishonest, unfair, and injurious methods are employed in the grading, warehousing, and transportation of such farm products, including combinations, monopolies, price fixing, and manipulation of prices on the commodity exchanges.

Fourth. The extent to which the cooperative agencies have entered into the processing and marketing of representative major farm products and the general effects of such cooperative agencies upon the producer and consumer.

Fifth. The extent to which other countries have adopted or promoted processing and marketing agencies of a public, quasi-public, or cooperative sort for the simplification and cheapening of the processing and marketing of agricultural products, and other administrative agencies which may have been set up for the protection of the farmer-producer and the consumer.

Sixth. Any conclusion and/or recommendations with regard to increasing the income of farm producers or other recommendations with regard to the improvement of the economic position of farmers or consumers growing out of the inquiry.

SEC. 2. The Department of Agriculture, the National Recovery Administration, the Department of Justice, and other agencies of the Government are directed to cooperate with the Commission in such inquiry to the fullest extent possible.

SEC. 3. For the purposes of this resolution the Federal Trade Commission shall have the same right to obtain data and to inspect income-tax returns as the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, and to submit any relevant or useful information thus obtained to the Congress or to either House thereof.

SEC. 4. For the purpose of carrying out this resolution the Federal Trade Commission, the Attorney General, and the courts of the United States shall have and may exercise all of the powers and jurisdiction severally conferred upon them by the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 28, 1914.

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $150,000, which shall be available for expenditure, as the Federal Trade Commission may direct, for expenses and all necessary disbursements, including salaries, in carrying out this resolution and prosecuting litigation necessary in aid of the powers conferred hereunder.

SEC. 6. The Federal Trade Commission is directed to present an interim report to the Congress on January 1, 1935, describing the progress made and the status of its work hereunder, and a final report with recommendations for legislation not later than July 1, 1936.

RECORDS OF FORMER CREWS OF "ALGONQUIN" AND "ONONDAGA"

The bill (H.R. 5018) to correct the naval records of former members of the crews of the revenue cutters *Algonquin* and *Onondaga* was considered, ordered to a third reading, read the third time, and passed.

AMENDMENTS OF AIR COMMERCE ACT OF 1926

The Senate proceeded to consider the bill (S. 3526) to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics, which had been reported from the Committee on Commerce with an amendment, to strike out all after the enacting clause and to insert:

That subdivision (d) of section 2 of the Air Commerce Act of 1926 (U.S.C., supp. VII, title 49, sec. 172 (d) is amended by inserting before the period at the end of the first sentence thereof a comma and the following: "aircraft, aircraft power plants, and accessories."

SEC. 2. Subdivision (e) of such section 2 (U.S.C., supp. VII, title 49, sec. 172 (e)) is amended to read as follows:

"(e) To investigate accidents in civil air navigation in the United States, including the attending facts, conditions, and circumstances, and for that purpose the Secretary, or any officer or employee of the Department of Commerce designated by him in writing for the purpose, is authorized to hold public hearings in such places and at such times as he shall deem practical, and for the purpose of such hearings, administer oaths, examine witnesses, require the preservation of evidence, and issue subpenas for the attendance and testimony of witnesses, or the production of books, papers, documents, exhibits, and other evidence, or the taking of depositions before any designated individual competent to administer oaths for the purposes of this act. Witnesses summoned or whose depositions are taken shall receive the same fees and mileage as witnesses in the courts of the United States. All evidence taken at the hearing shall be recorded and forwarded to the Secretary. At the conclusion of an investigation of or hearing on any such accident, or as soon thereafter as circumstances permit, the Secretary of Commerce shall, if he deems it in the public interest, make public a statement of the probable cause or causes of the accident, except that when the accident has resulted in serious or fatal injury, it shall be the duty of the Secretary to make public such a statement. Neither any such statement nor any report of such investigation or hearing, nor any part thereof, shall be admitted as evidence or used for any purpose in any suit or action growing out of any matter referred to in any such statement, investigation, hearing, or report thereof."

SEC. 3. Subdivision (a) of section 3 of such act (U.S.C., supp. VII, title 49, sec. 173 (a)) is amended by inserting after the second sentence thereof a semicolon and the following: "but the Secretary may, if he deems it advisable, grant limited registration to aircraft owned by aliens under such conditions as he may by regulation prescribe, but aircraft granted such limited registration shall not be permitted to engage in interstate or foreign air commerce."

SEC. 4. Subdivision (b) of such section 3 (U.S.C., supp. VII, title 49, sec. 173 (b)) is amended by inserting after the words "United States" in the first sentence thereof the following: "and parachutes used in connection with such aircraft."

SEC. 5. Subdivision (d), as amended, of such section 3 (U.S.C., supp. VII, title 49, sec. 173 (d)) is amended by inserting before the period at the end thereof a comma and the following: "and provide for the examination and rating of all air lines engaged in interstate or foreign air commerce and establish minimum safety standards for the operation thereof."

SEC. 6. Subdivision (f) of such section 3 (U.S.C., supp. VII, title 49, sec. 173 (f)) is amended by inserting after the word "aircraft", in the first sentence thereof, the word "airline" and a comma, and by inserting after such sentence the following sentence: "The Secretary of Commerce shall not deny any application for an airline certificate or revoke or suspend any airline certificate, except for failure of the airline to comply with safety standards applicable to the operation thereof prescribed by the Secretary."

SEC. 7. Subdivision (f) of such section 3 is further amended by adding at the end thereof the following sentence: "Where the decision in such hearing is adverse to the applicant for hearing, such applicant shall pay to the Secretary of Commerce, to be covered into the Treasury as miscellaneous receipts, an amount equal to such portion of the costs of the hearing as the Secretary of Commerce may designate, and in any case the applicant may be required by the Secretary of Commerce to furnish bond, with such surety as he may approve, to cover all such costs before the matter is heard."

SEC. 8. Such act is amended by adding after section 3 (U.S.C., supp. VII, title 49, sec. 173) a new section, as follows:

"SEC. 3a. (1) No official or employee of the Department of Commerce shall, in any suit, action, or proceeding involving any aircraft, be required to testify to any facts ascertained in, or information gained by reason of, his official capacity, or to testify as an expert witness.

"(2) In case of failure to comply with any subpena issued under authority of this act, the Secretary of Commerce, or his authorized representative, may invoke the aid of any United States district court, the Supreme Court of the District of Columbia, or the United States court of any Territory or other place to which this act applies. The court may thereupon order the person to whom the subpena was issued to comply with the requirements of the subpena or to give evidence with respect to the matter in question. Any failure to obey the order may be punished by the court as a contempt thereof.

"(3) No person shall be excused from attending and testifying or from producing books, papers, documents, exhibits, and other evidence before the Secretary of Commerce or his designated representative or in obedience to the subpena of the Secretary of Commerce or his designated representative, or in any cause or proceeding instituted by the Secretary of Commerce or his designated representative, on the ground that the testimony or evidence, documentary or otherwise, required of him, may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(4) Any notary public or other officer authorized by law of the United States, or any State, Territory, or possession thereof, or the District of Columbia, to take acknowledgment of deeds, any consular officer of the United States, and any officer or employee of the Department of Commerce designated by the Secretary in writing for the purpose, shall be competent to administer oaths for the purposes of this act. Subpenas for the purposes of this act may be served personally or sent by registered mail."

SEC. 9. Section 5 of such act (U.S.C., supp. VII, title 49, sec. 175) is amended by adding at the end thereof the following new subdivision:

"(g) The persons owning or operating any bridge, causeway, transportation or transmission line, or any structure over navigable waters of the United States shall maintain at their own expense such lights and other signals thereon for the protection of air navigation as the Secretary of Commerce shall prescribe."

SEC. 10. Subdivision (k) of section 9 of such act (U.S.C., supp. VII, title 49, sec. 179 (k)) is amended by inserting before the period at the end thereof the following: "or of parachutes."

SEC. 11. Paragraph (3) of subdivision (a) of section 11 of such act (U.S.C., supp. VII, title 49, sec. 181 (a)) is amended by inserting before the period at the end thereof the following: "or to operate any airline in interstate or foreign air commerce without an airline certificate or in violation of the terms of any such certificate."

SEC. 12. Paragraph (5) of subdivision (a) of such section 11 is amended by inserting before the period at the end thereof the following: "or to operate any aircraft registered as an aircraft of the United States otherwise than in conformity with the regulations of the Secretary of Commerce pertaining thereto."

Mr. STEPHENS. Mr. President, I desire to offer an amendment to the committee amendment. I move to strike out the first paragraph of section 3a, on page 10.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 10, line 7, after "Sec. 3a", it is proposed to strike out the following:

(1) No official or employee of the Department of Commerce shall, in any suit, action, or proceeding involving any aircraft, be required to testify to any facts ascertained in, or information gained by reason of, his official capacity, or to testify as an expert witness.

And to renumber the succeeding paragraphs.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

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

BILLS PASSED OVER

The bill (S. 3407) authorizing the establishment and maintenance of an industrial plant at Reidsville, W.Va., was announced as next in order.

SEVERAL SENATORS. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3676) to provide for a census of unemployment, employment, and occupations to be taken as of No-

vember 12, 1934, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

That concludes the calendar.

MISSOURI RIVER BRIDGE, ATCHISON, KANS.

Mr. ROBINSON of Arkansas. Mr. President, sometime ago Senate bill 2334 and House bill 6898 were called, and at the request of the Senator from Ohio [Mr. BULKLEY] I objected to their consideration. Since that time I have been advised that the Senator from Ohio desires to withdraw his objection.

I therefore ask unanimous consent to recur first to Senate bill 2334.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. McGILL. Mr. President, I desire to state that Senate bill 2334 and House bill 6898 are identical; and House bill 6898 has passed the House of Representatives. I therefore ask that that bill be substituted for Senate bill 2334.

Mr. ROBINSON of Arkansas. Very well.

The VICE PRESIDENT. Is there objection to the present consideration of House bill 6898?

There being no objection, the Senate proceeded to consider the bill (H.R. 6898) authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans., which was ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 2334 will be indefinitely postponed.

Mr. McGILL. Mr. President, in fairness to the Senator from Ohio [Mr. BULKLEY], who is absent from the Senate on account of illness, I desire to state that he has requested that a statement be made relative to his reasons for objecting to the passage of these bills on previous calendar days.

I am satisfied, and I think my colleague, the senior Senator from Kansas [Mr. CAPPER], is satisfied, that Senator BULKLEY's objections were based on legitimate reasons, in that citizens of the State of Ohio, his constituents, possessed interests affected, they felt, by the provisions of these measures. I am advised that these people have reached an understanding and there is no longer objection to the measure.

Mr. CAPPER. Mr. President, my colleague from Kansas [Mr. McGILL] has correctly stated the situation. An understanding has been reached between all the parties interested by which the rights of citizens of the State of Ohio will be protected. I am in full accord with that understanding.

WALTER L. RASASCO

Mr. ROBINSON of Arkansas obtained the floor.

Mr. FLETCHER. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Florida.

Mr. FLETCHER. I ask unanimous consent to recur to Senate bill 3464, which was objected to by the Senator from Utah [Mr. KING] on the ground of its setting an improper precedent. I have prepared an amendment to the bill, and I ask to have the amendment submitted.

The VICE PRESIDENT. Is there objection to recurring to the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3464) to retire Walter L. Rasasco with the rank of second lieutenant, Air Corps, United States Army.

Mr. FLETCHER. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and to insert:

That the Veterans' Administration is authorized and directed to pay Walter L. Rasasco, a former flying cadet, Air Corps, United States Army, in the form of compensation, the sum of $75 per month as long as his present rate of disability continues, and to readjust this compensation in accordance with further findings as to said Rasasco's condition under existing compensation laws.

The amendment was agreed to.

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

The title was amended so as to read: "A bill for the relief of Walter L. Rasasco."

ASSOCIATIONS OF PRODUCERS OF AQUATIC PRODUCTS

Mr. STEPHENS. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Mississippi.

Mr. STEPHENS. I ask unanimous consent to return to Senate bill 3589, authorizing associations of producers of aquatic products. This is a Senate bill which passed a few moments ago. House bill 9233, Order of Business 1436, deals with the same subject. I ask that the House bill be substituted for the Senate bill.

Mr. ROBINSON of Arkansas. What was done with the House bill when it was called on the calendar?

Mr. STEPHENS. I am informed that for some reason it was not reached. An officer of the Senate has called my attention to the House bill, and I ask that it be taken up at this time.

Mr. ROBINSON of Arkansas. Very well.

Mr. McNARY. Mr. President, what happened to the House bill when it was reached earlier in the day?

The VICE PRESIDENT. The Chair is informed that the Senator from Utah [Mr. KING] objected to the consideration of the bill.

Mr. STEPHENS. Later, however, the Senate bill—an identical measure—passed when we went back to the beginning of the calendar.

Mr. McNARY. Where was the Senator from Utah at that time? [Laughter.]

Mr. STEPHENS. I do not know.

The VICE PRESIDENT. The Chair understands the parliamentary situation to be that there is pending on the calendar a House bill exactly like the Senate bill which has already passed the Senate. The query is whether or not the Senate will facilitate putting the measure on the statute books by passing the House bill.

Mr. McNARY. That is true; but if an objection is interposed to one bill, we should not permit the passage of a similar bill. In the absence of the Senator from Utah, therefore, I shall object.

Mr. STEPHENS. I will say to the Senator that the Senate bill has already passed.

Mr. McNARY. I am trying to make my position clear. I am not opposing the bill, but I think every Senator should have an opportunity to be heard.

Mr. STEPHENS. Very well.

The VICE PRESIDENT. Objection is made.

REGULATION OF IMMIGRATION

Mr. COPELAND. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from New York.

Mr. COPELAND. I will state to our leader that three bills from the Immigration Committee have been reported and are on the desk. What is the desire of the Senator regarding them?

Mr. ROBINSON of Arkansas. I should like to have the Senator from New York ask for their consideration at another time.

Mr. COPELAND. Very well.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that on June 12, 1934, the President had approved and signed the following acts:

S. 2041. An act to amend the act of June 15, 1933, amending the National Defense Act of June 3, 1916, as amended;

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.; 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.

CHARGES AGAINST SUPERINTENDENT OF SHILOH NATIONAL PARK, TENN.

Under Senate Resolution 198 (submitted by Mr. McKELLAR), amended, agreed to today, the Vice President appointed as the select committee to investigate charges against the superintendent of the Shiloh National Park, Tenn., Mr. McKELLAR, Mr. BYRNES, and Mr. FRAZIER.

RECEIVERS APPOINTED BY COURTS—MOTION TO RECONSIDER

Mr. GORE. Mr. President, I wish to enter a motion to reconsider the vote by which Order of Business No. 1464, being the bill (H.R. 8544) making receivers appointed by any United States courts and authorized to conduct any business or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations, was passed.

The VICE PRESIDENT. The motion will be entered.

SECURITIES AND EXCHANGE ACT OF 1934 (S.DOC. NO. 217)

The VICE PRESIDENT laid before the Senate a supplemental estimate of appropriation in the sum of $300,000 for the purpose of carrying into effect the provisions of the Securities Exchange Act of 1934, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE—WATERWAYS TREATY, UNITED STATES AND GREAT BRITAIN (S.DOC. NO. 216)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State for the fiscal year 1935, amounting to $17,555, for waterways treaty, United States and Great Britain, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

ECONOMIC DATA ON AGRICULTURAL PRODUCTS (S.DOC. NO. 219)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture, Bureau of Agricultural Economics, fiscal year 1935, amounting to $47,670, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SURVEY AND CONSTRUCTION OF INTER-AMERICAN HIGHWAY (S.DOC. NO. 218)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a proposed provision of legislation as to availability of funds in connection with the survey and construction of the Inter-American Highway, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

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

Mr. ROBINSON of Arkansas. I yield to the Senator from West Virginia.

Mr. HATFIELD. I thank the Senator. I thought it was the understanding that we were to return to the unfinished business at 3 o'clock.

Mr. ROBINSON of Arkansas. No; it is my desire to proceed with the Tugwell nomination, and it is also my desire to dispose of the unfinished business as speedily as possible.

Mr. HEBERT. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Rhode Island.

Mr. HEBERT. House bill 9404, Order of Business 1469, was passed over at my request because of an amendment which I desired to offer to it at the suggestion——

Mr. ROBINSON of Arkansas. I shall have to object to further consideration of the calendar at this time. If the Senator wishes to renew the request later, I shall be glad to cooperate with him; but I think we have devoted all the time that we can to the calendar today.

Mr. HEBERT. Mr. President, I have no desire to delay the proceeding which the Senator has in mind.

Mr. ROBINSON of Arkansas. I object to further consideration of bills on the calendar.

SEVERAL SENATORS. Regular order!

The VICE PRESIDENT. The regular order is the motion of the Senator from Arkansas that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations and a treaty, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. STEPHENS, from the Committee on the Judiciary, reported favorably the nomination of Harlan W. Rippey, of New York, to be United States district judge, western district of New York, to succeed Simon L. Adler, deceased.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of George Murray Hulbert, of New York, to be United States district judge, southern district of New York, to succeed Frank J. Coleman, deceased.

He also, from the same committee, reported favorably the following nominations:

James L. Coke, of Hawaii, to be chief justice of the supreme court, Territory of Hawaii, to succeed Antonio M. Perry, term expired;

James J. Banks, of Hawaii, to be an associate justice of the supreme court, Territory of Hawaii (a reappointment, his term having expired);

Harold E. Stafford, of Hawaii, to be circuit judge, first circuit, Territory of Hawaii, to succeed Charles S. Davis, term expired;

James Wesley Thompson, of Hawaii, to be circuit judge, third circuit, Territory of Hawaii (a reappointment, his term having expired);

Delbert E. Metzger, of Hawaii, to be circuit judge, fourth circuit, Territory of Hawaii, to succeed Homer L. Ross, term expired;

Miss Carrick H. Buck, of Hawaii, to be circuit judge, fifth circuit, Territory of Hawaii, to succeed William C. Achi, Jr., term expired;

Seba C. Huber, of Hawaii, to be United States district judge, District of Hawaii, to succeed William B. Lymer, term expired; and

Otto F. Heine, of Hawaii, to be United States marshal, District of Hawaii, to succeed Oscar Pinhanui Cox, term expired.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Smith W. Purdum, of Maryland, to be Fourth Assistant Postmaster General, and also the nominations of sundry postmasters.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of Clinton E. MacEachran, of Massachusetts, to be a Foreign Service officer of class 4, a consul, and a secretary in the Diplomatic Service.

The VICE PRESIDENT. The reports will be placed on the calendar.

PROTOCOL TO GENERAL CONVENTION OF INTER-AMERICAN CONCILIATION

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably without reservation the following protocol (with an accompanying resolution), which was ordered to be made public, and the resolution and protocol are as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive N, Seventy-third Congress, second session, an additional protocol to the General Convention of Inter-American Conciliation which was signed at Washington on January 5, 1929. The additional protocol was signed at Montevideo, Uruguay, December 26, 1933, by plenipotentiaries of the United States of America, Uruguay, Ecuador, and Chile to the Seventh International Conference of American States held at that capital.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to the additional protocol, I transmit herewith certified copies of the English and Spanish texts of an additional protocol to the General Convention of Inter-American Conciliation which was signed at Washington on January 5, 1929.

The additional protocol was signed at Montevideo, Uruguay, December 26, 1933, by plenipotentiaries of the United States of America, Uruguay, Ecuador, and Chile to the Seventh International Conference of American States held at that capital.

As pointed out by the Secretary of State in his accompanying report, to which the attention of the Senate is invited, the additional protocol would give a permanent character to the commissions of investigation and conciliation to which Article 3 of the General Convention of Inter-American Conciliation refers.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 22, 1934.*

(Accompaniments: Additional protocol to the General Convention of Inter-American Conciliation; Report of the Secretary of State.)

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to their transmission to the Senate to receive the advice and consent of that body to the ratification of the protocol, if his judgment approve thereof, certified copies of the English and Spanish texts of an additional protocol to the General Convention of Inter-American Conciliation which was signed at Washington on January 5, 1929. The additional protocol was signed at Montevideo, Uruguay, on December 26, 1933, by plenipotentiaries of the United States of America, Uruguay, Ecuador, and Chile to the Seventh International Conference of American States.

By this additional protocol a permanent character would be given to the commissions of investigation and conciliation to which article 2 of the General Convention of Inter-American Conciliation refers.

Article 2 of the General Convention of Inter-American Conciliation of January 5, 1929, is as follows:

The Commission of Inquiry to be established pursuant to the provisions of article IV of the treaty signed in Santiago de Chile on May 3, 1923, shall likewise have the character of Commission of Conciliation.

Article IV of the Treaty to Avoid or Prevent Conflicts between American States, signed at Santiago, Chile, on May 3, 1923, which is the convention mentioned in article 2 of the General Convention of Inter-American Concilation of January 5, 1929, relates to the composition, manner of appointment, and organization of the commission of inquiry provided for in that treaty. Under that treaty the commission of inquiry would in each case be of a temporary character and have jurisdiction only in respect to the particular controversy submitted to it by the parties to the dispute. As before stated, the additional protocol now submitted would give a permanent character to the commissions of investigation and conciliation by each country naming, by means of a bilateral agreement, "which shall be recorded in a simple exchange of notes with each one of the other signatories" of the treaty of May 3, 1923, those members of the various commissions provided for in article IV of that treaty.

Respectfully submitted.

CORDELL HULL.

DEPARTMENT OF STATE,
Washington, May 19, 1934.

(Accompaniment: Additional protocol to the General Convention of Inter-American Conciliation.)

The high contracting parties of the General Convention of Inter-American Conciliation of the 5th of January 1929, convinced of the undeniable advantage of giving a permanent character to the Commissions of Investigation and Conciliation to which article 2 of said convention refers, agree to add to the aforementioned convention the following and additional protocol.

ARTICLE 1

Each country signatory to the treaty signed in Santiago, Chile, the 3d of May 1923 shall name, as soon as possible, by means of a bilateral agreement which shall be recorded in a simple exchange of notes with each one of the other signatories of the aforementioned treaty, those members of the various commissions provided for in article 4 of said treaty. The commissions so named shall have a permanent character and shall be called "Commissions of Investigation and Conciliation."

ARTICLE 2

Any of the contracting parties may replace the members which have been designated, whether they be nationals or foreigners; but, at the same time, the substitute shall be named. In case the substitution is not made, the replacement shall not be effective.

ARTICLE 3

The commissions organized in fulfillment of article 3 of the aforementioned treaty of Santiago, Chile, shall be called "Permanent Diplomatic Commissions of Investigation and Conciliation."

ARTICLE 4

To secure the immediate organization of the commissions mentioned in the first article hereof, the high contracting parties engage themselves to notify the Pan American Union at the time of the deposit of the ratification of the present additional protocol in the Ministry of Foreign Relations of the Republic of Chile, the names of the two members whose designation they are empowered to make by article 4 of the convention of Santiago, Chile, and said members, so named, shall constitute the members of the commissions which are to be organized with bilateral character in accordance with this protocol.

ARTICLE 5

It shall be left to the governing board of the Pan American Union to initiate measures for bringing about the nomination of the fifth member of each Commission of Investigation and Conciliation in accordance with the stipulation established in article 4 of the Convention of Santiago, Chile.

ARTICLE 6

In view of the character which this protocol has as an addition to the Convention of Conciliation of Washington, of January 5, 1929, the provision of article 16 of said convention shall be applied thereto.

In witness whereof, the plenipotentiaries hereinafter indicated, have set their hands and their seals to this additional protocol in English, and Spanish, in the city of Montevideo, Republic of Uruguay, this 26th day of the month of December in the year 1933.

United States of America:
ALEXANDER W. WEDDELL
J. BUTLER WRIGHT

Uruguay:
A. MAÑÉ
JOSÉ PEDRO VARELA
MATEO MARQUES CASTRO

DARDO REGULES
SOFIA ALVAREZ VIGNOLI DE DEMICHELI
TEÓFILO PIÑEYRO CHAIN
LUIS A. DE HERRERA
MARTIN R. ECHEGOYEN
JOSÉ G. ANTUÑA
J. C. BLANCO
PEDRO MANINI RIOS
RODOLFO MEZZERA
OCTAVIO MORATÓ
LUIS MORQUIO
JOSÉ SERRATO

Ecuador:
A. AGUIRRE APARICIO
ARTURO SCARONE

Chile:
J. RAMÓN GUTIÉRREZ
F. FIGUEROA
B. COHEN

CONVENTION OF RIGHTS AND DUTIES OF STATES ADOPTED BY THE SEVENTH INTERNATIONAL CONFERENCE OF AMERICAN STATES

Mr. PITTMAN also, from the Committee on Foreign Relations, reported favorably with reservation the following convention (with an accompanying resolution), which was ordered to be made public; and the resolution and convention are as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive P, Seventy-third Congress, second session, the Convention on Rights and Duties of States adopted by the Seventh International Conference of American States at Montevideo, Uruguay, and signed on December 26, 1933, by plenipotentiaries of the United States of America and other countries represented in the said conference, but with the express reservation presented to the plenary session of the conference on December 22, 1933, which reservation reads as follows:

"The delegation of the United States, in voting 'yes' on the final vote on this committee recommendation and proposal, makes the same reservation to the 11 articles of the project or proposal that the United States delegation made to the first 10 articles during the final vote in the full Commission, which reservation is in words as follows:

"'The policy and attitude of the United States Government toward every important phase of international relationships in this hemisphere could scarcely be made more clear and definite than they have been made by both word and action, especially since March 4. I have no disposition, therefore, to indulge in any repetition or rehearsal of these acts and utterances and shall not do so. Every observing person must by this time thoroughly understand that under the Roosevelt administration the United States Government is as much opposed as any other government to interference with the freedom, the sovereignty, or other internal affairs or processes of the governments of other nations.

"'In addition to numerous acts and utterances in connection with the carrying out of these doctrines and policies, President Roosevelt, during recent weeks, gave out a public statement expressing his disposition to open negotiations with the Cuban Government for the purpose of dealing with the treaty which has existed since 1903 [on May 31, 1934, the Senate advised and consented to the ratification of Executive Q (73d Cong., 2d sess.), which abrogates the treaty of May 22, 1903, between the United States and Cuba containing the so-called "Platt amendment"]. I feel safe in undertaking to say that under our support of the general principle of nonintervention, as has been suggested, no government need fear any intervention on the part of the United States under the Roosevelt administration. I think it unfortunate that during the brief period of this conference there is apparently not time within which to prepare interpretations and definitions of these fundamental terms that are embraced in the report. Such definitions and interpretations would enable every government to proceed in a uniform way without any difference of opinion or of interpretations. I hope that at the earliest possible date such very important work will be done. In the meantime, in case of differences of interpretations and also until they (the proposed doctrines and principles) can be worked out and codified for the common use of every government, I desire to say that the United States Government in all of its international associations and relationships and conduct will follow scrupulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of December before this conference and in the law of nations as generally recognized and accepted.'"

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to the convention, I transmit herewith certified copies of the English and Spanish texts of the Convention on Rights and Duties of States adopted by the Seventh International Conference of American States at Montevideo, Uruguay, and signed on December 26, 1933, by plenipotentiaries of the United States of America and other countries represented in the said conference.

The attention of the Senate is invited to a statement made by the plenipotentiaries of the United States as a reservation at the time of the signing of the convention and recited in full in the accompanying report of the Secretary of State.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 22, 1934.*

(Accompaniments: Convention on Rights and Duties of States; Report of the Secretary of State.)

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to their transmission to the Senate to receive the advice and consent of that body to ratification of the convention, if his judgment approve thereof, certified copies of the English and Spanish texts of the Convention on Rights and Duties of States adopted by the Seventh International Conference of American States and signed on December 26, 1933, by plenipotentiaries of the United States of America and of other countries represented in the said conference, at Montevideo, Uruguay.

At the time of signature the following statement was made on the part of the United States:

The delegation of the United States of America, in signing the Convention on the Rights and Duties of States, does so with the express reservation presented to the plenary session of the Conference on December 22, 1933, which reservation reads as follows:

"The delegation of the United States, in voting 'yes' on the final vote on this committee recommendation and proposal, makes the same reservation to the 11 articles of the project or proposal that the United States delegation made to the first 10 articles during the final vote in the full Commission, which reservation is in words as follows:

"'The policy and attitude of the United States Government toward every important phase of international relationships in this hemisphere could scarcely be made more clear and definite than they have been made by both word and action especially since March 4. I have no disposition therefore to indulge in any repetition or rehearsal of these acts and utterances and shall not do so. Every observing person must by this time thoroughly understand that under the Roosevelt administration the United States Government is as much opposed as any other government to interference with the freedom, the sovereignty, or other internal affairs or processes of the governments of other nations.

"'In addition to numerous acts and utterances in connection with the carrying out of these doctrines and policies, President Roosevelt, during recent weeks, gave out a public statement expressing his disposition to open negotiations with the Cuban Government for the purpose of dealing with the treaty which has existed since 1903. I feel safe in undertaking to say that under our support of the general principle of nonintervention as has been suggested, no government need fear any intervention on the part of the United States under the Roosevelt administration. I think it unfortunate that during the brief period of this conference there is apparently not time within which to prepare interpretations and definitions of these fundamental terms that are embraced in the report. Such definitions and interpretations would enable every government to proceed in a uniform way without any difference of opinion or of interpretations. I hope that at the earliest possible date such very important work will be done. In the meantime in case of differences of interpretations and also until they (the proposed doctrines and principles) can be worked out and codified for the common use of every government, I desire to say that the United States Government in all of its international associations and relationships and conduct will follow scrupulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of December before this conference and in the law of nations as generally recognized and accepted.'"

Respectfully submitted.

CORDELL HULL.

DEPARTMENT OF STATE,
Washington, May 19, 1934.

(Accompaniment: Convention on Rights and Duties of States.)

The governments represented in the Seventh International Conference of American States, wishing to conclude

a Convention on Rights and Duties of States, have appointed the following plenipotentiaries:

Honduras:
MIGUEL PAZ BARAONA
AUGUSTO C. COELLO
LUIS BOGRÁN

United States of America:
CORDELL HULL
ALEXANDER W. WEDDELL
J. REUBEN CLARK
J. BUTLER WRIGHT
SPRUILLE BRADEN
Miss SOPHONISBA P. BRECKINRIDGE

El Salvador:
HÉCTOR DAVID CASTRO
ARTURO RAMÓN AVILA
J. CIPRIANO CASTRO

Dominican Republic:
TULIO M. CESTERO

Haiti:
JUSTIN BARAU
FRANCIS SALGADO
ANTOINE PIERRE-PAUL
EDMOND MANGONÉS

Argentina:
CARLOS SAAVEDRA LAMAS
JUAN F. CAFFERATA
RAMÓN S. CASTILLO
CARLOS BREBBIA
ISIDORO RUIZ MORENO
LUIS A. PODESTÁ COSTA
RAÚL PREBISCH
DANIEL ANTOKOLETZ

Venezuela:
CÉSAR ZUMETA
LUIS CHURION
JOSÉ RAFAEL MONTILLA

Uruguay:
ALBERTO MAÑÉ
JUAN JOSÉ AMÉZAGA
JOSÉ G. ANTUÑA
JUAN CARLOS BLANCO
SEÑORA SOFÍA A. V. DE DEMICHELI
MARTÍN R. ECHEGOYEN
LUIS ALBERTO DE HERRERA
PEDRO MANINI RÍOS
MATEO MARQUES CASTRO
RODOLFO MEZZERA
OCTAVIO MORATÓ
LUIS MORQUIO
TEÓFILO PIÑEYRO CHAIN
DARDO REGULES
JOSÉ SERRATO
JOSÉ PEDRO VARELA

Paraguay:
JUSTO PASTOR BENÍTEZ
GERÓNIMO RIART
HORACIO A. FERNÁNDEZ
SEÑORITA MARÍA F. GONZÁLEZ

Mexico:
JOSÉ MANUEL PUIG CASAURANC
ALFONSO REYES
BASILIO VADILLO
GENARO V. VASQUEZ
ROMEO ORTEGA
MANUEL J. SIERRA
EDUARDO SUÁREZ

Panama:
J. D. AROSEMENA
EDUARDO E. HOLGUÍN
OSCAR R. MULLER
MAGÍN PONS

Bolivia:
CASTO ROJAS
DAVID ALVÉSTEGUI
ARTURO PINTO ESCALIER

Guatemala:
ALFREDO SKINNER KLEE
JOSÉ GONZÁLEZ CAMPO
CARLOS SALAZAR
MANUEL ARROYO

Brazil:
AFRANIO DE MELLO FRANCO
LUCILLO A. DA CUNHA BUENO
FRANCISCO LUIS DA SILVA CAMPOS
GILBERTO AMADO
CARLOS CHAGAS
SAMUEL RIBEIRO

Ecuador:
AUGUSTO AGUIRRE APARICIO
HUMBERTO ALBORNOZ
ANTONIO PARRA
CARLOS PUIG VILASSAR
ARTURO SCARONE

Nicaragua:
LEONARDO ARGÜELLO
MANUEL CORDERO REYES
CARLOS CUADRA PASOS

Colombia:
ALFONSO LÓPEZ
RAIMUNDO RÌVAS
JOSÉ CAMACHO CARREÑO

Chile:
MIGUEL CRUCHAGA TOCORNAL
OCITAVIO SEÑORET SILVA
GUSTAVO RIVERA
JOSÉ RAMÓN GUTIÉRREZ
FÉLIX NIETO DEL RÍO
FRANCISCO FIGUEROA SÁNCHEZ
BENJAMÍN COHEN

Peru:
ALFREDO SOLF Y MURO
FELIPE BARREDA LAOS
LUIS FERNÁN CISNEROS

Cuba:
ANGEL ALBERTO GIRAUDY
HERMINIO PORTELL VILÁ
ALFREDO NOGUEIRA

Who, after having exhibited their full powers, which were found to be in good and due order, have agreed upon the following:

ARTICLE 1

The state as a person of international law should possess the following qualifications: (a) A permanent population: (b) a defined territory, (c) government, and (d) capacity to enter into relations with the other states.

ARTICLE 2

The federal state shall constitute a sole person in the eyes of international law.

ARTICLE 3

The political existence of the state is independent of recognition by the other states. Even before recognition the state has the right to defend its integrity and independence, to provide for its conservation and prosperity, and consequently to organize itself as it sees fit, to legislate upon its interests, administer its services, and to definite the jurisdiction and competence of its courts.

The exercise of these rights has no other limitation than the exercise of the rights of other states according to international law.

ARTICLE 4

States are juridically equal, enjoy the same rights, and have equal capacity in their exercise. The rights of each one do not depend upon the power which it possesses to assure its exercise, but upon the simple fact of its existence as a person under international law.

ARTICLE 5

The fundamental rights of states are not susceptible of being affected in any manner whatsoever.

ARTICLE 6

The recognition of a state merely signifies that the state which recognizes it accepts the personality of the other with

all the rights and duties determined by international law. Recognition is unconditional and irrevocable.

ARTICLE 7

The recognition of a state may be express or tacit. The latter results from any act which implies the intention of recognizing the new state.

ARTICLE 8

No state has the right to intervene in the internal or external affairs of another.

ARTICLE 9

The jurisdiction of states within the limits of national territory applies to all the inhabitants.

Nationals and foreigners are under the same protection of the law and the national authorities and the foreigners may not claim rights other or more extensive than those of the nationals.

ARTICLE 10

The primary interest of states is the conservation of peace. Differences of any nature which arise between them should be settled by recognized pacific methods.

ARTICLE 11

The contracting states definitely establish as the rule of their conduct the precise obligation not to recognize territorial acquisitions or special advantages which have been obtained by force whether this consists in the employment of arms, in threatening diplomatic representations, or in any other effective coercive measure. The territory of a state is inviolable and may not be the object of military occupation nor of other measures of force imposed by another state directly or indirectly or for any motive whatever even temporarily.

ARTICLE 12

The present convention shall not affect obligations previously entered into by the high contracting parties by virtue of international agreements.

ARTICLE 13

The present convention shall be ratified by the high contracting parties in conformity with their respective constitutional procedures. The Minister of Foreign Affairs of the Republic of Uruguay shall transmit authentic certified copies to the governments for the aforementioned purpose of ratification. The instrument of ratification shall be deposited in the archives of the Pan American Union in Washington, which shall notify the signatory governments of said deposit. Such notification shall be considered as an exchange of ratifications.

ARTICLE 14

The present convention will enter into force between the high contracting parties in the order in which they deposit their respective ratifications.

ARTICLE 15

The present convention shall remain in force indefinitely but may be denounced by means of 1 year's notice given to the Pan American Union, which shall transmit it to the other signatory governments. After the expiration of this period the convention shall cease in its effects as regards the party which denounces but shall remain in effect for the remaining high contracting parties.

ARTICLE 16

The present convention shall be open for the adherence and accession of the states which are not signatories. The corresponding instruments shall be deposited in the archives of the Pan American Union which shall communicate them to the other high contracting parties.

In witness whereof, the following plenipotentiaries have signed this convention in Spanish, English, Portuguese and French and hereunto affix their respective seals in the city of Montevideo, Republic of Uruguay, this 26th day of December 1933.

RESERVATIONS

The delegation of the United States of America, in signing the Convention on the Rights and Duties of States, does so with the express reservation presented to the plenary session of the Conference on December 22, 1933, which reservation reads as follows:

The delegation of the United States, in voting "yes" on the final vote on this committee recommendation and proposal, makes the same reservation to the 11 articles of the project or proposal that the United States delegation made to the first 10 articles during the final vote in the full Commission, which reservation is in words as follows:

The policy and attitude of the United States Government toward every important phase of international relationships in this hemisphere could scarcely be made more clear and definite than they have been made by both word and action especially since March 4. I have no disposition therefore to indulge in any repetition or rehearsal of these acts and utterances and shall not do so. Every observing person must by this time thoroughly understand that under the Roosevelt administration the United States Government is as much opposed as any other government to interference with the freedom, the sovereignty, or other internal affairs or processes of the governments of other nations.

In addition to numerous acts and utterances in connection with the carrying out of these doctrines and policies, President Roosevelt, during recent weeks, gave out a public statement expressing his disposition to open negotiations with the Cuban Government for the purpose of dealing with the treaty which has existed since 1903. I feel safe in undertaking to say that under our support of the general principle of nonintervention as has been suggested, no government need fear any intervention on the part of the United States under the Roosevelt administration. I think it unfortunate that during the brief period of this conference there is apparently not time within which to prepare interpretations and definitions of these fundamental terms that are embraced in the report. Such definitions and interpretations would enable every government to proceed in a uniform way without any difference of opinion or of interpretations. I hope that at the earliest possible date such very important work will be done. In the meantime in case of differences of interpretations and also until they (the proposed doctrines and principles) can be worked out and codified for the common use of every government, I desire to say that the United States Government in all of its international associations and relationships and conduct will follow scrupulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of December before this conference and in the law of nations as generally recognized and accepted.

The delegates of Brazil and Peru recorded the following private vote with regard to article 11: "That they accept the doctrine in principle but that they do not consider it codifiable because there are some countries which have not yet signed the Anti-War Pact of Rio de Janeiro of which this doctrine is a part and therefore it does not yet constitute positive international law suitable for codification."

Honduras:
M. PAZ BARAONA
AUGUSTO C. COELLO
LUIS BOGRÁN

United States of America:
ALEXANDER W. WEDDELL
J. BUTLER WRIGHT

El Salvador:
HÉCTOR DAVID CASTRO
ARTURO R. AVILA

Dominican Republic:
TULIO M. CESTERO

Haiti:
J. BARAU
F. SALGADO
EDMOND MANGONÉS
A. PRRE. PAUL

Argentina:
CARLOS SAAVEDRA LAMAS
JUAN F. CAFFERATA
RAMÓN S. CASTILLO
I. RUIZ MORENO
L. A. PODESTÁ COSTA
D. ANTOKOLETZ

Venezuela:
LUIS CHURION
J. R. MONTILLA

Uruguay:
A. MAÑÉ
JOSÉ PEDRO VARELA
MATEO MARQUES CASTRO
DARDO REGULES
SOFÍA ALVAREZ VIGNOLI DE DEMICHELI

TEÓFILO PIÑEYRO CHAIN
LUIS A. DE HERRERA
MARTÍN R. ECHEGOYEN
JOSÉ G. ANTUÑA
J. C. BLANCO
PEDRO MANINI RÍOS
RODOLFO MEZZERA
OCTAVIO MORATÓ
LUIS MORQUIO
JOSÉ SERRATO

Paraguay:
JUSTO PASTOR BENITEZ
MARÍA F. GONZÁLEZ

Mexico:
B. VADILLO
M. J. SIERRA
EDUARDO SUÁREZ

Panama:
J. D. AROSEMENA
MAGIN PONS
EDUARDO E. HOLGUIN

Guatemala:
M. ARROYO

Brazil:
LUCILLO A. DA CUNHA BUENO
GILBERTO AMADO

Ecuador:
A. AGUIRRE APARICIO
H. ALBORNOZ
ANTONIO PARRA V.
C. PUIG V.
ARTURO SCARONE

Nicaragua:
LEONARDO ARGÜELLO
M. CORDERO REYES
CARLOS CUADRA PASOS

Colombia:
ALFONSO LÓPEZ
RAIMUNDO RIVAS

Chile:
MIGUEL CRUCHAGA
J. RAMÓN GUTIÉRREZ
F. FIGUEROA
F. NIETO DEL RÍO
B. COHEN

Peru (con la reserva establecida):
ALFREDO SOLF Y MURO

Cuba:
ALBERTO GIRAUDY
HERMINIO PORTELL VILÁ
ING. A. E. NOGUEIRA

SUPPLEMENTARY EXTRADITION TREATY WITH AUSTRIA

Mr. PITTMAN also, from the Committee on Foreign Relations, reported favorably without reservation the following treaty (with an accompanying resolution), which was ordered to be made public; and the resolution and treaty are as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive R, Seventy-third Congress, second session, a supplementary extradition treaty between the United States of America and Austria signed at Vienna on May 19, 1934, adding crimes against the bankruptcy laws to the extraditable crimes and offenses listed in the extradition treaty of January 31, 1930, between the two countries.

To the Senate of the United States:

To the end that I may receive the advice and consent of the Senate to ratification I transmit herewith a supplementary extradition treaty between the United States of America and Austria signed at Vienna on May 19, 1934, adding crimes against the bankruptcy laws to the extraditable crimes and offenses listed in the extradition treaty of January 31, 1930, between the two countries.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 9, 1934.*

(Accompaniment: Supplementary extradition treaty; report of the Secretary of State.)

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a supplementary extradition treaty between the United States of America and Austria signed at Vienna on May 19, 1934, by which crimes against the bankruptcy laws are added to the list of crimes contained in the extradition treaty of January 31, 1930, between the two countries, on account of which extradition may be granted.

Respectfully submitted.

CORDELL HULL.

DEPARTMENT OF STATE,
Washington, June 8, 1934.

(Accompaniment: Supplementary extradition treaty.)

The United States of America and Austria, desiring to enlarge the list of crimes on account of which extradition may be granted under the convention concluded between the United States and Austria on January 31, 1930, with a view to the better administration of justice and prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary convention for this purpose and have appointed the following plenipotentiaries:

The President of the United States of America: Mr. Alfred W. Kliefoth, his chargé d'affaires ad interim to Austria, and

The Federal President of Austria: Dr. E. Dollfuss, Federal Chancellor.

Who, after having communicated to each other their respective full powers, found to be in good and due form, have agreed upon and concluded the following articles:

ARTICLE I

The following crimes are added to the list of crimes numbered 1 to 22 in article II of the said convention of January 31, 1930, on account of which extradition may be granted, that is to say:

23. Crimes against the bankruptcy laws.

ARTICLE II

The present convention shall be considered as an integral part of the said extradition convention of January 31, 1930, and article II of the last-mentioned convention shall be read as if the list of crimes therein contained had originally comprised the additional crimes numbered 23 in the first article of the present convention.

The present convention shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the date of the exchange of ratifications which shall take place at Vienna as soon as possible.

In witness whereof the above-mentioned plenipotentiaries have signed the present convention in both the English and German languages, and have hereunto affixed their seals.

Done, in duplicate, at Vienna, this 19th day of May 1934.

United States of America:
ALFRED W. KLIEFOTH.

Austria
E. DOLLFUSS.

THE CALENDAR

The VICE PRESIDENT. Without objection, the treaties on the calendar will be passed over.

POSTMASTERS

Mr. ROBINSON of Arkansas. Mr. President, I request that the consideration of the nominations of postmasters on the calendar be first considered.

The VICE PRESIDENT. Is there objection?

There being no objection, the Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

UNDER SECRETARY OF AGRICULTURE—REXFORD G. TUGWELL

The Chief Clerk read the nomination of Rexford Guy Tugwell, of New York, to be Under Secretary of Agriculture.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The question is, Will the Senate advise and consent to the nomination?

Mr. SMITH. Mr. President, of course, it is pretty generally known that I did object and do now object to the confirmation of this nominee. Subsequent to my last statement on the floor of the Senate in regard to this matter, there has been an investigation by the Committee on Agriculture and Forestry of this candidate and a vote on reporting his name by the committee.

After hearing the testimony of the nominee before the committee, I was more convinced of his unfitness for the position to which he has been named than I was before, if that were possible.

Mr. President, I have taken the position that the office of Secretary of Agriculture should be occupied by an individual who understands the problems of agriculture. I did not have time, when I spoke a few days ago, to go into the reasons why I have considered that, of all positions in the Government of an administrative and executive character, this one position requires peculiar fitness.

I know, and even a casual visitor in the gallery can tell, that when a question involving agriculture comes before the Senate, a question of the treatment by the Federal Government of those devoted to agriculture, it seems to be a matter of no consequence to this body. When, under the previous administration, we had before us the question of thawing out certain frozen assets, a bill was introduced to establish what is now known as the "Reconstruction Finance Corporation", and the appropriation of $2,000,000,000 was asked for and granted, in order to substitute ready cash for frozen assets which the railroads, insurance companies, and certain banks had, which it was necessary to thaw out if there was not to be a crash in those institutions.

From 1920 until that good hour agriculture had been suffering, not from a lack of production, not from a lack of thrift and enterprise on the part of those engaged in it, but from a crash, a collapse of our banking and financial institutions, a failure to liquidate and distribute the wealth which those who work in the field and on the farm were producing.

There was no question of maladministration or inefficiency on the part of the agriculturists. They were producing that which not only fed and clothed this Nation but also which contributed to the welfare of all the nations of the earth.

Two billion dollars were readily handed out to take care of these institutions of business, whose roots and foundations must rest ultimately upon agriculture.

Knowing the distressed situation of the farmers, which was of the same nature throughout the country among those who produce the great staple agricultural products, I asked for $200,000,000 out of that large appropriation, just 10 percent, to enable those who were voiceless here to carry on. The banks were closed, credit was gone, confidence was destroyed.

My effort to have that amount allocated to agriculture met the most strenuous opposition, and finally the appropriation was chiseled to a point where it was totally inadequate. I got not one word of encouragement from the so-called "Agricultural Department", the Department which ought to have known intimately, sympathetically, and vitally the distress and terrible condition which confronted the producers of this country. I knew that there was this lack of sympathy.

Mr. President, let us see just where the education of most of the Members of this body is at fault. The men selected to administer the agricultural interests of this country are largely selected because of their business training. No distinction is made between natural production and artificial production, a study of the function of blow-pipe, test tube, and retort in an attempt to adjust nature in the field through the processes which can be combined in the machine.

I was called upon to enter into a conference where those who were to administer our credits in agriculture were devising means by which they were going to finance the farmer. They said, in the first place, that he must be educated to meet his obligations as business meets its obligations, that he must be educated to go along the line which had already been established for commerce and industry; and that was done, and is now being tried on the farmer.

I was asked my opinion. I said, "Do you mean to say that you are going to force the farmer to subscribe to the rules and regulations which govern commerce, banking, and industry, and to meet his obligations as they meet theirs?" They said, "Yes." I said, "If you are going to do that, you had better have an interview with God."

The obvious difference between agriculture and industry is that everything produced in manufacture is produced under man-made law, regulated by man, controlled by him; his field is the factory, and all the seasons are his to work in. He moves a lever and that accelerates production. He pulls the lever again, and production stops. At the end of every 12 months he has a commercial asset to meet the obligations incurred in the production of that 12 months. He can produce to the yard, to the inch, to the pound, both in quantity and quality, at his sweet will.

If we are going to put agriculture on the same basis as industry, natural law will have to be changed so that when the farmer wants rain he gets it, when he wants fair weather he gets it. And, above all things, the times of his crops will have to be changed so that every week some of them will mature, in order that he may have assets in the form of subsequent maturities with which to carry on.

But nature's factory, in which the farmer works, is so uncertain, so fluctuating, that the man who plants knows not the quantity or the quality of the crop he will make. And, worst of all, he works for 12 long months before the process of producing the crops and disposing of them is completed, and then within 60 or 90 days there must come into existence a crop which will represent an amount equal to his needs for the next 12 months. In other words, he assumes obligations for 12 months, and within 60 or 90 days he must get a crop matured sufficient in value to meet all the obligations representing the next 12 months' supply.

Since the farmer is forced to put a world supply on the market within 60 to 90 days, the consequence is that the purchaser of these crops, which must be converted into funds to carry the farmer for the next 12 months, buys them with everything taken out of them. Not only does he exact a discount, because the crop must be carried over and distributed in the subsequent 12 months, but he deducts the freight, he deducts every element of cost before the price to the farmer is made.

The farmer is not a good risk, because no one can tell what his crop will be, nor what the quality of it will be. Let us just stop and think for a minute—with what certainty the wheat growers and corn growers in the West in the early spring of this year went out into their factory, God's factory, nature's factory, to produce that which was to sustain them and, perhaps, sustain the Nation, and what occurred? The most devastating drought this country has ever seen.

Such a condition is not thinkable in terms of industry. Industries are not subject to the fluctuations and the caprices of nature and of the seasons. Yet when this august body comes to act on the selection of a man who is to advise the Congress, who is to consider and attempt to solve the difficult and intricate problems of the farms which stretch from the Gulf, with its tropical climate, to the Arctic zone, what does it do? Farming is the most practical of all occupations. If a man with only an academic training goes into my section of the country, or into the wheat section of the country, and tries to make a living as a farmer he will starve to death. Such a man might sit before a committee of the Senate and with his training,

aided and abetted, of course, by certain members of the committee, he could evade the direct questions which were asked, and charm the press of the country with his suavity, but throw him out in a cotton field and he would starve to death. I am here today, as serious as I ever was in my life, pleading for those who have been voiceless here from time immemorial.

When we come to the selection of a man to discharge the functions of the Secretary of Agriculture, one who should be equipped by experience—and experience alone can educate him and equip him for that arduous and responsible task—whom do we select? If we were establishing a banking system, we would select as the head thereof a trained banker. If we were establishing a department of medicine, we would select as the head thereof a man who understood anatomy and the nervous system of the human being and who would be well acquainted with the eccentricities of individuals. If we were going to establish a manufacturing department, we would select as the head thereof one thoroughly versed in the relations of manufacturing and who was acquainted with the economics of America. But, Mr. President, when we go to select a Secretary of Agriculture, or that English equivalent, taking virtually the same name—an Under Secretary—anyone will do for the farmers of this country. An economist! I challenge any man here or in the academic cloisters of this country to show me a man who can reduce the eccentricities of nature and her changing seasons to the exactness of a science and write a book on the economics and the regimentation of the individual farmers of America.

Now that such a thing is going to be done, the first thing those in authority must do, as I advised the Committee on Agriculture, is to get God to give them the right and power to regiment the weather, and then they will not have to come to Congress for the enactments of any laws. Nature will be doing what they want done of her own accord.

Several writers on this subject in which I am so intensely interested have said that the plea of the Senator from South Carolina for a man who has personal knowledge of the struggle with seasons, insects, and weeds was silly and demagogic. Oh, yes, some writers would say, "Why do you want a man who knows anything about agriculture to be Secretary of Agriculture? Why should such a man be chosen?" Even the cartoonist the other day in picturing Dr. Tugwell and me had me holding the picture of the cartoonist's conception of a farmer, a poor old devil with last year's hat, or maybe a 5-year old pick-up panama, on his head, a scraggly goatee on his chin, the seat of his pants patched, and I was supposed to be saying, "Now, Doc, if you looked like this I'd be for you." [Laughter.] That shows the cartoonist's conception of the dignity of a farmer.

Mr. GORE. It is a crime to make sport of their misery in that way.

Mr. SMITH. It is a crime to make sport of the misery of the farmers. Every day people go into restaurants and fill themselves with what was wrung from the earth at the expense of every hope, at the expense of every vision of independent manhood. I have seen one sight I wish every Member of this body could see. I have seen a full-blooded American mother in the field, with her baby in a soap box under a shade tree, her beauty being destroyed by the hand-to-hand conflict she was compelled to wage with the seasons, but, thank God, dreaming dreams for the little one in that soap box as bright as those that pass through the brain and heart of a queen. Yet she is despised—oh, yes, and the father is despised, and we can take a Columbia University economist who could not tell the committee what he did believe and put him at the head of the Department which has to deal with this tragedy of American life.

The Senator from Oklahoma [Mr. GORE] in an aside pays him the compliment of saying that he would not know a cotton stalk from a jimson weed. I doubt if he would know either one if they were shown to him.

Mr. President, why should I come before this body and complain against an individual as individual? I know nothing about Mr. Tugwell personally. He seemed to be a very handsome gentleman. [Laughter.] He was splendidly attired and manicured, and according to Mr. Berryman, by the eternal gods, he had no place associating with any farmer. No; he was not equipped for that part; nor was he playing an Adonis role.

Now, when I come into this body and plead for those who walk the stony road, which 6,000,000 American yeomen walk every year, and who cannot solve their problem because they are denied the opportunity to sit in the councils of the legislators, they are sneered at and derided if any one of them dares to make the suggestion that some of their number should be permitted to oversee, to administer and execute the laws pertaining to agriculture.

Mr. President, I want it distinctly understood that I am the last man to discredit academic training. Against my will up to a certain stage, my wife's father and mother held my nose to the grindstone until they did at last get me to the point where I appreciated, I hope, the benefits of and necessity for academic education. I have, perhaps, had a little better opportunity along that line than most men. I am not boasting of it; it is a responsibility; and I ask to be excused for making this digression when I say that I read where some of the newspaper brethren in reporting some of the questions I put to Rev. Dr. Tugwell—I mean Dr. Tugwell—[laughter]——

The PRESIDING OFFICER. Let there be order in the galleries.

Mr. SMITH. In writing their stories they said that Senator SMITH asked, "Where was you born?" [Laughter in the galleries.]

The PRESIDING OFFICER. The Senator from South Carolina will suspend until there is order in the galleries.

Mr. SMITH. O Mr. President, let them have a little fun; God knows they are having very little of it.

The PRESIDING OFFICER. The Chair will state that the occupants of the galleries are here by the sufferance of the Senate and, under the rules of the Senate, demonstrations of any kind are not permitted.

Mr. SMITH. Mr. President, I say I am the last man to discredit or to fail to appreciate the splendid equipment that an academic education gives a man. If the professors are true to their high calling, they drill the mind of the pupil so that he may speak and think truthfully and logically. Greek and Latin and other foreign languages are not studied for the purpose of speaking those languages, especially Latin and Greek, but for the purpose of training the mind to concentrate and so to correlate the signs and symbols for each word that the sentences may be constructed which reveal the thoughts of the ancient writers. These studies are carried on to train the mind, but the best training that can be given in the best academic institutions of America cannot do more than aid the individual who goes into the field to face the changing exigencies of nature's processes.

The diploma in that branch is obtained by bitter experience, and no man can solve the problem of agriculture in America but the man who has trodden the wine press of experience in the field. With all due respect to the Deity, if the Bible story be true, God tried His prophets, His priests and His kings, but He could not save mankind until He went into a stable and took upon Himself the human form. He could pluck a man from a thousand hills, born to the purple and called to the great regency under Samuel; but it was all a failure; He recognized that the only salvation of mankind was in the great Omnipotent One knowing what flesh was heir to from the lowly place of the poverty-stricken individual. So that Baby who was born in that stable, and later walked the lonely roads of Galilee and had no where to lay His head, when He was lifted up then He saved mankind, for He was speaking the voice and doctrine of one who had passed through the stony, horrible road of experience, like the poor deserted poverty-stricken thousands of Palestine, and subsequently the world knew. Shall we improve on Him and come here and say with a sneer, "Oh well, why let not this thing go? Who in the devil is the farmer anyway?

Anything is good enough for him; he is the Chinaman of American organized life." Bow down and respect the railroads, respect the banks, respect the manufacturers, but when it comes to the question of agriculture—oh, what is the use? I am reminded of the incident on this very floor when I was pleading for $200,000,000, and as will be remembered, a Senator rose and asked me what collateral the farmers had to put up to secure the $200,000,000. I told him his stomach was full of their collateral right then.

Mr. President, the poor, deserted farmers of this country have already been so treated that they have an inferiority complex. They do not know how to organize and rise up and demand their just share of the wealth they produce. And who shall represent them? It is taken as a joke to stand here and say that a man should have practical experience to be properly equipped to administer the interests of agriculture in this country. I believe Dr. Tugwell did say that he had worked a year or two in an apple orchard or, rather, that he had once raised a prize calf. His parents raised a prize boy; there is no doubt about that. I think it was at the urgent request of certain brethren on the committee that he was asked if he had not raised a prize calf.

I did not want to be facetious, God knows, though I could indulge myself in a few remarks of that kind, for those who were asking the questions appealed to me so greatly by their experience along certain lines. However, I say it is an insult to the agricultural interests of this country to have the policies under which they are to live, no matter how good those policies may be, administered by the hands of men who know nothing about their problems.

Mr. President, as a matter of course, being a Senator from South Carolina, of which I am inordinately proud, and being a disciple of one whom I consider the greatest statesman and the greatest logician this country ever produced, John C. Calhoun, of South Carolina, with his love for democracy and all that word implies, with his reverence for the sacred sovereignty of the State, with its delegated powers freely given the Federal Government and those that are reserved to the State jealously guarded for the State, I should be an unworthy son of the proud little storm center of America, little South Carolina, and I should be ashamed to go out and stand at the shrine of her greatest statesman if I should subscribe to the doctrine that is now being subtly promulgated and circulated amongst our people.

I am not going to take the time to enter into a discussion of the utterances of this gentleman. I might spend some time dwelling upon that theme. I understand some member of the committee said, "Well, he is Assistant Secretary now; what is the difference? Why not make him Under Secretary?" About the only difference I see at the present writing is $2,500 a year. I think the functions of the two offices are the same, but the pay is just $2,500 more, and that is not to be sneezed at. I know that $2,500 right now is an inducement.

I listened to the man. Of course, he will have to do what he has committed himself to do. He said, "Why not believe what I say?" I want to state here and now before the God who made me, I should be delighted to do any favor in the world for Dr. Rexford Guy Tugwell that did not involve a sense of my duty, first, to the men who make their living in the field, and, secondly, to the oath I took that I would uphold the Constitution of the United States against all enemies, foreign and domestic, without any mental reservation whatsoever. God help me, I am going to uphold both!

I am not trying to proselyte a single Senator. Nothing would delight me more than, if what is stated is true, that this man is desired by the President and will go along with the President; but my sense of duty will not allow me anywhere at any place or at any time to compromise with it in order to meet the favor of any man God ever made. I was sent here to do my duty as I see it. I take it that every other man feels the same way. It may be demagogic and silly to plead for those whom I have for 25 years specifically represented. It may be silly and probably is silly in the minds of a vast majority of those who can be heard and who are in the light of the public eye. Those in the darkened places are not heard. The others can say anything, and it goes.

My colleagues may vote as they please and as they will, actuated by whatever motive may move them, but I believe the agricultural interests of the country ought to call a halt now and see that they are recognized as other occupations are recognized.

I have no quarrel whatever with Dr. Tugwell. I admire his academic attainments and should be glad to see them availed of in the place where they rightfully belong, within the walls of a college or in some publishing house; let him make use of them; but I do object and will object to his being elevated to represent those whom I represent, when, in my opinion, he has no understanding of the A B C's of their problems.

Mr. President, why should it be thought that any Senator would want to persecute anyone? I have no desire whatever to persecute and have not attempted to persecute Dr. Tugwell. When the hearing was in progress I asked questions looking toward an understanding of his experience. He seemed to satisfy the committee that he was thoroughly equipped. He gave his history. Then when another member of the committee began to question him as to his orthodoxy on the principles and practices growing out of our Constitution, I was amazed to hear the answers he gave in the light of the statements read.

Mr. President, I shall not go into that phase of the matter. I think I have given those of my colleagues who have done me the honor to listen to me a full understanding of the reason why I will not cast my vote to promote a man who in the first instance I believe is not qualified—and I certainly believe he is not qualified—from the standpoint of what agriculture needs. No; he is not qualified.

As to the other phases of the matter, as to what he has said and the things he has written, I shall content myself with the position I have taken. I hope the agricultural interests of America will catch the spirit of my protest and so organize that spirit that there shall be a recognition of their interests in their own right.

I state here and now on the floor of the United States Senate that education, refinement, and culture have not passed from the farm home. There are in this country and in every State in this Union men who have devoted their lives to agriculture, who are better qualified to sit here than am I—and I have my opinion about others, but I have not expressed it—and better qualified to administer the affairs of agriculture and to deal with the problems which affect it than any man in that department. The dangers which menace the farmers will not be solved on the one hand or allayed on the other hand until a full and honest appreciation of the problems which confront agriculture are met in the light of agricultural experience.

Mr. President, I am not attempting to delay the matter. I have opposed the appointment from the beginning, and I oppose it now.

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

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

Mr. SMITH. I yield.

Mr. COSTIGAN. For the information of one Member of the Senate, will the earnest Senator from South Carolina be good enough to State how much of a "dirt" farmer he demands the Secretary of Agriculture or the Under Secretary of Agriculture shall be? Will he also specify some Secretary or Secretaries of Agriculture who have met his approval in times past?

Mr. SMITH. Mr. President, answering the first question, I unhesitatingly say, a man who has devoted his life to agriculture. As to the next, I do not want to attempt to answer the question, because I cannot. He "ain't been." We have not had "sich." I will state that according to the slight knowledge I have of Secretary Wilson, he came nearer my idea of a Secretary of Agriculture than any other we have had. We have an abundance of qualified men in this country.

It is said, "Oh, the President sends down this man's name; why not take him, and put the responsibility on the President?" Because it is on us. By and with the advice and consent of the Senate he is supposed to select. We are supposed to investigate; and that is what I have tried to do.

Mr. President, I know the influences that are at work. I have not been here a quarter of a century for nothing. I know oh, yes, the plausible things that can be said, and the witty things that can be said, about this matter. Anything can be said or done, and we shall not be called to account for it by that helpless and hopeless mass.

Mr. President, I am going to content myself for the time being with what I have said. I do resent the fact that in spite of the serious manner in which some of us were delving into this problem, certain Members of this body say it was a farce. Oh, yes; of course, anything that pertains to agriculture, if one is serious, is a farce. "Mr. Hayseed"—yes; do not consider him. "A circus"—yes; but, thank God! most of the animals that I saw in the circus did not originate on the farm.

Mr. President, to me this issue is the most serious one that has confronted the American Congress in the past 100 years. The repercussion of the issues that are involved will come back in years to come, if not in months to come. We must meet this issue. I do not know but that I could cover my desk with letters and telegrams from the field and from farm organizations, pleading that they be represented in this body.

The issue is with the Senate. I have stated my case from the standpoint of the farmer.

Mr. BAILEY. Mr. President, this matter comes before the Senate under obligations imposed by the Constitution. The second paragraph of section 2 of article II reads as follows—

He—

That is, the President—

shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law.

The Constitution requires, in order to validate an appointment by the President to a responsible position, the advice and the consent of the Senate of the United States.

I am not going into a discussion as to why, in the great covenant of our national existence, this provision should have been inserted; but it was inserted, and it has remained there and wtihout question from the foundation of the Republic to the present hour. We are to advise the President, and I think our advice should be welcomed and not resented; and I do not mean to say that it ever has been resented. Our consent should be sought from our hearts and minds with utter openness and freedom. No question should be raised as to the good faith of a Member of the United States Senate. No question should be raised when an investigation is held, because if we are to give our advice we must give it intelligently; and in order that we may be intelligent we must investigate.

I made these opening remarks in view of a disposition, manifested rather broadly in the land, to deride men and even to pour contempt upon Senators who honestly undertake by way of an inquiry to ascertain the mind, the purpose, the principles, the attitude, the thoughts of a man presented for a position at the first moment of its creation in our national history, to ascertain his mind with a view to determining his fitness and advising the appointing power, the President, and consenting on the part of each of ourselves under the solemn obligation imposed by the Constitution which I have described in a phrase, and not without some intent, as the covenant of the national life—the covenant between the people and the powers they created, in which they determined the place of the States in the national economy, and determined the powers vested in the Congress, and set the limits upon the powers of the Chief Executive.

Long before this office was created, and long before Dr. Tugwell's name was mentioned here by way of promotion to this office, I became curious as to his views. I sent to the Congressional Library a blanket order for all his publications, all his works.

While I do not profess that I have read them with the utmost thoroughness, I will say that I did examine them with honest care and with an open mind. I read his graduation thesis, a document which proved at once that he was a man of unusual capacity, a young man of whom every one of us would have said, upon reading the thesis, written in 1922, when he received his doctor's degree, that he was manifestly a man of promise.

I even went back further, by accident, in the press, and read a poem, some blank verse, by Dr. Tugwell, beginning, "I will rebuild America", a poem written when he was 17 years of age—not an unworthy aspiration, and the poem not one to be taken lightly, but rather an utterance to command admiration.

I read his Political Economy, written in conjunction with another, and I do not hesitate to tell my fellow Senators that I found nothing wrong with his political economy. It is a book written by a man with an open mind. In the final paragraph in this work on political economy he disavows all dogma, declares for the open mind, and asks only that the student shall form his own opinions.

It is a book written after the manner of the modern political economist and what we call the ad hoc doctrine, nothing static, nothing of rules, nothing of standards, so far removed from standards that he undertakes to avoid names and designations and shibboleths in order that what he has to say may be free of prejudices.

I would not, even if I differed with him in his teachings in the book, raise any question as to any utterance in it, and if I had anything to say about his work, I would commend the work.

There were other works, but I pass them by. There was one on Russia, but the book on Russia imputes nothing to the mind of the author, justifies no suspicion whatever that he absorbs the views of the Russian leaders.

So, altogether, upon the examination of the works of Dr. Tugwell, I was in the mind to say that I could see nothing wrong with his views, but that, rather, he had produced an admirable series of contributions to our modern thought.

Shortly after I finished those investigations, a circular was handed to me purporting to carry certain paragraphs from an address made by Dr. Tugwell in this city in the year 1931. Those paragraphs were such as to excite a great deal of interest, and, I may say, not a little alarm. But I reflected that the circular was anonymous, and I knew that no man could be rightly interpreted by taking paragraphs here and there from a speech and out of their context. I resolved that I would find the address and read it in full, and I did find the address, and I did read it in full. I have narrated this in order to lead up to the circumstances of the inquiry before the Committee on Agriculture and Forestry.

Having been rather alarmed, and, I might say, really distressed, to find that the paragraphs in the circular were verbatim copies of utterances in the address, I welcomed the investigation, not that I wished to convict Dr. Tugwell of anything, but that I deeply desired to ascertain his honest views, and was perfectly willing to give him every opportunity that one man could give to another to renounce, to explain, to interpret, or to elaborate upon those views.

Mr. President, it rather astonished me, when I began the inquiry for my own part—and I may say that the other Senators pursued a method not unlike my own—to find something of partisan feeling there, something of the nature of plaintiff and defendant, some fear, I believe, that I was playing the part of a persecutor, that I was trying to convict Dr. Tugwell of something. Even he himself, in response to an inquiry, said, "You are trying to make me say that I believe in the Russian system." I at once assured him that

nothing was further from my mind. I had read his work on Russia, I had read all his other works, and it did not occur to me that he could possibly be convicted of being attached in any way to what we call the Russian conception of things.

As I pursued the inquiry, I pursued it following certain answers which Dr. Tugwell had made to questions propounded by the junior Senator from Virginia [Mr. BYRD]. They astonished me, in the light of the impression his address had made upon my mind, and I shall detain the Senate long enough to read from the record here some of the questions and some of the answers:

Senator BYRD. What was the purpose of making the speech—

That is, the 1931 speech—

if you did not desire to contribute something to the political thought of that day, if you were not trying to work out a solution for the problems that had existed in the country?

Dr. TUGWELL. Because I was asked in the first place to make a speech on this topic by the American Economic Society; and I was glad to make it, because I thought at the time planning was being talked about in a very loose way by many people who did not understand the implications of what they were saying; and as a young man I made my contribution to the subject by trying to point out as best I could some of the difficulties.

That was Dr. Tugwell's interpretation of his 1931 speech, that he uttered that speech to point out some of the difficulties of planning, himself not being in favor of planning, and of course the fair inference was that all he was doing was to explain to whomsoever might be interested what was implied in economic planning. I may say here for the RECORD that the title of the address was "Economic Planning and Laissez Faire."

I believe I will relieve myself at this point to the extent of saying, since I see the senior Senator from Nebraska [Mr. NORRIS] smiling once more, that if I have to use this expression "laissez faire" very often, he must remember that it was Dr. Tugwell who brought it forward, and not I. I read further:

Senator BYRD. I am not concerned about the remarks of my distinguished friend on the right.

Dr. Tugwell, I will frame my question so as to suit the Senator from Nebraska, I hope. It is this: In my judgment no man can read your speech that you made to this economic society—

The 1931 speech—

without believing that you believe in the things that you then said; and I ask you now, Do you believe in the policies of government as you outlined them and enunciated them in that address?

Dr. TUGWELL. I would like to make perfectly clear to Senator BYRD, if I can, that I did not enunciate any principles of government in that speech in which I believed.

He said nothing he believed respecting the principles of government.

I was trying to analyze the situation as I saw it.

Senator BYRD. Do you believe in national planning?

Mr. TUGWELL. No, sir.

That was flat and unqualified.

Senator BYRD. Do you believe in planned economy?

Mr. TUGWELL. It depends on your definition of it, sir.

Senator BYRD. Let us take your definition that you made in your speech.

And he did make a very elaborate and complete definition.

Mr. TUGWELL. I believe in the planning which the President is talking about with reference to water flow and soil erosion. Yes.

Yes. And I take it the Senate gets the force of that answer. His national planning at this point of the inquiry at any rate is confined to water flow and soil erosion.

I digress to say that that made a very unfavorable impression upon my mind. I could conceive of circumstances in a law court in the trial of a case in which some humble citizen might have been forgiven for an evasion of that sort, but I could not conceive of it here.

Senator BYRD. Do you believe in the kind of planned economy outlined in your speech?

Mr. TUGWELL. No, sir. And the whole speech was trying to show that it would not work.

Senator BYRD. I hope every Member of the Senate will read your speech.

Mr. TUGWELL. I hope so; yes.

Senator BYRD. As to whether or not you favor those things, then?

Mr. TUGWELL. And I might say that I have come back to that same problem in other places; and I would not want to ask you to read anything else that I have written, but I have referred to the same subject in other places. And I believe that I have made perfectly clear just what I believe.

He said before the committee, and I wish to recall the evidence here:

Senator BYRD. Do you believe in national planning?

Mr. TUGWELL. No, sir.

Senator BYRD. Do you believe in a planned economy?

Mr. TUGWELL. I believe in the planning which the President is talking about with reference to water flow and soil erosion.

That is the record. I will read one further word:

Senator BYRD. In other words, your contention now is that you did not intend anyone to think at that time that you favored the things that you spoke of in the speech?

Mr. TUGWELL. I never did favor them.

Now I turn to the next page.

Senator BYRD. Do you favor any system of planned economy or national planning by the Government of the United States?

Mr. TUGWELL. If you are referring to the speech of 1931 and the definition of "planning" which I gave there, I do not.

Senator BYRD. Do you repudiate that speech?

Mr. TUGWELL. No, sir; I do not repudiate that speech.

With that background I will turn to the further examination conducted by myself, and I will read to begin with extracts from this speech of 1931 which was in question at the time. I will say, Mr. President and Senators, that I had been of the impression, after very careful reading of this address, that Dr. Tugwell had advocated a planned economy, as laid out in that speech, and that the speech was, all the way through it, an argument for the planned economy which he described in that speech.

What is the evidence there? What tended to convince my mind? Why, the first paragraph in the speech says that a planned economy is necessary to the preservation of business. That we have reached the point where laissez faire will no longer operate, that conflict in business is ruinous, and unless there shall be a change business itself will be destroyed.

That seemed to me, Mr. President, as argumentative in its character. It did not occur to me that that was an academic statement of what other people were thinking. There is nothing in the text that has reference to public opinion or others' thought.

Then he goes on to say, and this must be recognized in justice to Dr. Tugwell, that there are a great many people talking about a planned national economy who do not realize in any way its implications, and whenever they do realize them they will resent them and resist them. And from that point he moved right into this statement of all the implications of a planned economy, and he takes up in the first instance the relation of the planned economy to the business and the industrial structure, and his argument is that the preservation of the business structure demands a planned national economy. He even speaks of business dying a long and lingering death, and goes on to say—

But it must be regarded as inevitable.

He describes his planning here as—

Planning is a process of predicting and making it come true.

Not merely a matter of advisory groups. And at that point he takes up the proposals in America for advisory boards, and he argues that advisory boards will be utterly ineffective. That we must have force, there must be nothing voluntary about it, that the jurisdiction must be equal to the jurisdiction of the United States, and even suggests that the area must be greater than the area of the country; that it is as broad as the area of the industry itself.

Well, I am aware as I talk of Dr. Tugwell's view, of what he was saying as he stated it in the examination, and I am determined to be fair to him. I was not trying to convict him of anything the other day, and I am not going to try to convict him of anything today.

He was saying all the time that all he was doing was to lay out what planning predicated, but his introductory para-

graph laid down the dire necessity for planning, and his concluding paragraph went so far as to say—

But we are at the point where discussion of this possible mastering of future history—

That is a great word. We are going to take hold of the history that is to be, and become foreordainers and predestinators and assume the role of the Divine Being according to the Calvinistic theory.

But we are at the point where discussion of this possible mastering of future history is beginning to assume practical aspects. There is undoubtedly some need for haste if change is to come peacefully. It is my view that the prespective discussion ought to be carried out with a clear view of its philosophical implications and of its institutional requirements. If we accept the principle of planning we must accept its implied destruction of the structure of laissez faire industry.

And he himself in this address and in his work describes all the structure of these 140 years of national life as the structure of laissez faire philosophy. Even at one point he says in his statement here of implications, that we will have to undo the work of 100 years. And now he says this, further, by way of indicating the necessity for haste, that is, the haste to take up the planning, and if there is any planning, he says, it must be absolute:

How rapidly the pressures rise to explosive proportions depends both upon the visibility of a better future and upon the hardships of the present.

There is no denying that the contemporary situation in the United States has explosive possibilities. The future is becoming visible in Russia; the present is bitterly in contrast; politicians, theorists, and vested interests seem to conspire ideally for the provocation to violence of a long-patient people. No one can pretend to know how the release of this pressure is likely to come. Perhaps our statesmen will give way or be more or less gently removed from duty; perhaps our constitutions and statutes will be revised; perhaps our vested interests will submit to control without too violent resistance. It is difficult to believe that any of these will happen; it seems just as incredible that we may have a revolution. Yet the new kind of economic machinery we have in prospect cannot function in our present economy.

That is the national planning, as I read it—and I invite the Senate and the world to bear witness that no other sort of planning is referred to in this document.

Yet the new kind of economic machinery we have in prospect cannot function in our present economy. The contemporary situation is one in which all the choices are hard; and yet one of them has to be made.

He began and he ended with the solemn asseveration that he would not choose the way of laissez faire. There were two theories. He rejected one and he denies now that he accepted the other. Frankly, that gave me trouble. I am slow to judge my fellow men, as I would have my fellow men be slow to judge me. I would be very careful before I fell into a harsh judgment of any human being, if for no other reason, because I know my own weaknesses. I shall reach no judgment. If I can find a judgment here that reconciles itself with candor and honesty and frankness, if any Senator can find a conclusion here that will reconcile itself with confidence in Dr. Tugwell, I would welcome it as I would welcome nothing else. Being incapable myself, I refuse to reach a conclusion, in view of his disavowal, in view of what I conceive to be his evasion, which I conceive to be at least irreconcilable with any theory of courage and any theory of candor.

But, of course, Mr. President, that is not all. I have not the time nor has the Senate the time. The next portion of this 1931 speech is devoted to a discussion of profits and to an argument that profits are not necessary to the stimulation or the propulsion of industry and of enterprise. He even speaks of the malign effect of profits. In connection with his argument he makes a statement about business which has given me the profoundest alarm. I am going to read to the Senate, and then I am going to tell the Senate what Dr. Tugwell said by way of explaining away that statement:

For many years I was puzzled to know why so much opposition to any extension of Government functions existed. It was only gradually and with patient inquiry that I satisfied myself. The reason was that business kept any government corrupt that touched it anywhere.

Do we get the point there that business keeps any government corrupt that touches it anywhere?

This seemed to be a part of the business system, no more considered wrong by business men than ordinary buying and selling.

He refers to this corruption of government.

And wise observers who had seen it going on always and everywhere had concluded that it was of the nature of government to be corrupt and inefficient and that no really important matters, such as economic functions, ought ever to be trusted to it. A longer time still was required to reach the conclusion that all these wise men were wrong about causes. And because they were wrong about this their whole thinking was askew. The trouble lay in the nature of business—

Get the point—not in the character of business men, but in the nature of business; that is, that the seeds of corruption were resident in the very nature of business.

and so long as business was left unchanged as to motive and method it would continue to corrupt every Government it touched. But it could not be reasoned that, because business had paralyzed governmental organs, governments were inherently bad and ought never to be trusted. Revise business; arrange things so that man's capacity to corrupt the public services is seriously limited or removed, and then, only then, we shall have a chance to see whether the public interest, as over against private interests, could command effective and honest service. From what I know of human nature I believe that the world awaits a great outpouring of energy as soon as we shall have removed the dead hand of competitive enterprise.

I dwell there. Was that his opinion? Was that gathered from public opinion? Was that an interpretation by a reporter? Was that what he said it was—no expression of opinion whatever from himself? Why, it begins:

From what I know—

And that is what Dr. Tugwell knows—

of human nature I believe that the world awaits a great outpouring of energy as soon as we shall have removed the dead hand of competitive enterprise that stifles public impulses and finds use only for the less effective and less beneficial impulses of men. When industry is government and government is industry the dual conflict deepest in our modern institutions will be abated.

"When government is industry and industry is government", I do not think Russia will have anything on us. If they have more or less than that, then I have been badly misinformed by Dr. Tugwell's work on Russia. That is his argument; and he is saying that he is arguing nothing, and he is saying nothing, and expressing no opinions; and he said that solemnly to a Senate committee.

Now what? Here is his next sentence:

This is one of the basic reasons why the prospect of a planned economy is so congenial to every other hope and belief I have.

Yet he said at the outset that he was not in favor of a planned economy.

Well, of course that gives me great difficulty, Senators. That troubles me in my soul. The fact that he said it was bad enough; the fact that he could think that was bad enough; but the fact that, saying it, he denied that he said it, or that he meant it, carries with it something of that destruction of a man's faith in his fellow man which all decent men abhor, and from which I shrink to such a degree that I still withhold my judgment.

What did he say in response to that? He said, "I meant big business." Well, if he meant big business, why did he say "in the very nature of business"? The nature of business is in the little one as well as the big one. Most of the big ones were once little ones, and most of the big ones will yet live to be little ones. That is the rule.

That, however, is not all Dr. Tugwell said about business. He spoke again here——

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

Mr. BAILEY. Certainly.

Mr. WAGNER. Since the Senator is on the subject of the Russian system, does he intimate that Dr. Tugwell favors that kind of a system?

Mr. BAILEY. No; I said at the outset that he did not, but I simply mentioned just now that when, as he seems to wish, government is industry and industry is government,

Russia will have nothing on us. I may be wrong about that; and if the Senator can clear me, I shall be very happy.

Mr. WAGNER. I happen to have here an extract from Dr. Tugwell's latest book—Our Economic Society and Its Problems.

Mr. BAILEY. I have that, and I am going to come to that.

Mr. WAGNER. It contains a condemnation of the Russian system and a vindication of a democratic mode of government.

Mr. BAILEY. Yes. Begging the Senator's pardon, what I am addressing myself to now is not so much Dr. Tugwell's views; it is his testimony, and how we can reconcile his testimony with the theory of good faith by him. I think that is on the threshold.

I believe I will say this: I am willing for him to have any view he wishes. I would not suppress the view of the best or the worst or the humblest human being on earth for my right arm. All my life I have defended the right of men to express their views and have their opinions.

Mr. WAGNER. Mr. President, will the Senator yield for another question?

Mr. BAILEY. Certainly.

Mr. WAGNER. I do not want to interrupt the thought of the Senator, but a moment ago he referred to the laissez faire doctrine. I do not know whether or not the Senator was attempting to defend that doctrine; but I was going to suggest that we ourselves have attempted, by legislation, to eliminate some of the evils resulting from laissez faire, such as the sweatshop, child labor, and low wages. It seems to me that Dr. Tugwell is in accord with us so far as those efforts are concerned.

Mr. BAILEY. Again, Mr. President, the junior Senator from New York misapprehends me. I am not defending anything. I am simply undertaking to lay before the Senate the truth about Dr. Tugwell. I am not even insisting that I am capable of doing him full justice; but, as heaven is my witness, I intend to be just to him; and if I should in any degree be unjust, I should welcome a demonstration of the fact, and of course I should confess any wrong I have ever done him. I have naught against him; and I think it is of the utmost essence of things here that a human being talking about another human being in this Chamber of privilege should be utterly just.

Mr. WAGNER. What I attempted to bring out was this: Instead of attempting to criticize Dr. Tugwell for suggesting that there were evils that ought to be corrected in the laissez faire doctrine, we should recognize that he has merely stated a principle that is embodied in legislation enacted as recently as a year ago, to eliminate the destructive tendencies of laissez faire.

Mr. BAILEY. Mr. President, I see that the Senator thinks that I am attacking economic planning. I am not. I am showing that Dr. Tugwell disavowed that he is for it; and yet reading what he said in its behalf, I think that is quite different; and that is just the point I was driving at. Candor, intellectual honesty, is of more importance in filling a position of a national character than any view. That is my point.

Mr. LEWIS. Mr. President, will the able Senator yield to me for a query?

Mr. BAILEY. I yield.

Mr. LEWIS. Having the highest esteem for the ability of the able Senator, and conscious of his general philosophy of life, and understanding his views as I hear him express them, I ask the able Senator whether he will inform me, if it does not extend him too far, in what manner or in what way could any of these views, in one way or the other, enter into the question of the qualifications of Dr. Tugwell in the matter of being Under Secretary of Agriculture?

Mr. BAILEY. Mr. President, I was arguing that Dr. Tugwell had, in his response to the interrogatories of the junior Senator from Virginia, disavowed responsibility for this article, and had said that it expressed none of his opinions, none of his views, and I was reading from the article to submit to the Senate whether or not that was a truthful statement. I am glad the Senator has enabled me to make that clear. I will say to the Senator that I am utterly indifferent to the man's views at this point of the argument, and I fear that that is one of the difficulties here.

The Senator from Illinois is not the first to present that matter. The difficulty has been to get people to see the distinction that is drawn here. The question whether the man stood for the address or not is a matter of indifference to me. The question whether it expressed his views or not is a matter of indifference to me. Did it express his views, and then did he come before a Senate committee and say it did not? That is of the essence of things with me. I take it I have made that plain now.

Mr. President, if I may pause long enough to say it, I think I should have had a different impression if Dr. Tugwell had said to me what I would have been happy to say for him, in the examination, "Yes; they were my views, but I have other views. You can judge me by my record down here. I have a new book here in which I have expressed more recent views, a book published in 1934. I have an article in this paper called 'Today', published by Mr. Vincent Astor, under date of April 28, and you may compare the views I expressed in 1931 with the views in this book. I had those views, but the policies of the Roosevelt administration have modified my views."

I think that is the fact, if Senators wish to know the truth. I think that is what has happened to the man, and I will show that before I take my seat. If he had been candid with me, or if he had had the courage to go to the stake for his views, I would have been willing to go with him. Do I make that clear? I would have defended him with my life for expressing his views in behalf of national planning.

I am not attacking him for his views. Indeed, I am not attacking. I am arraying the evidence, and I leave the judgment to the Senate. I have said to everyone here over and over again how reluctant I am, how slow I am, to be convinced by the evidence, which seems to overpower me.

Mr. President, I have taken a great deal of time, but I have not said all that might be said. I was on the question of business, and I was saying, in behalf of Dr. Tugwell, that he did not mean to get rid of profits—he stated that—but he meant to get rid of speculative profits. That was his defense. That is not what he said, and I am willing to give him credit for that. However, in the light of his remarks about business, listen to this:

> There is no private business, if we mean by that, one of no consequence to anyone but its proprietors—

And, of course, all business is of consequence to others than the proprietors—

> And so none exempt from compulsion to serve a planned public interest.

Did he mean big business, or did he mean all business? I insist that the language is not susceptible of two interpretations.

> There is no private business.

He did not mean there is no private big business, but that there is no private business. That is his point. Yet he tells us in the committee that he is talking about speculative big business. When we asked him what he meant by "profits", he said:

> I meant speculative profits.

But he did not say speculative profits. Do not let me misrepresent him. He referred to speculation, but he said "profits", and he denounced competitive enterprise as the "dead hand", and what is competitive enterprise but profitable business?

Mr. President, I could not quite reconcile myself with his disavowals, and I cannot yet, and I ask the Senate if this can explain away his statement in these words:

> When industry is government and government is industry, the dual conflict deepest in our modern institutions will be abated.

This is one of the basic reasons why the prospect of a planned economy is so congenial to every other hope and belief I have.

Mr. BANKHEAD. Mr. President, I will ask the Senator whether Dr. Tugwell did not say, after that, that he referred to the N.R.A. program?

Mr. BAILEY. I am coming to that, and I am glad the Senator has testified for me in advance.

Remember, Senators, in speaking here of a planned economy, he referred to 1931, and he was coming to the conclusion of an article in which he had discussed absolute planned economy and said that no compromise planned economy was worthy of the name or would work.

At this precise juncture I read some questions by myself and answers by Dr. Tugwell.

Senator BAILEY. Now, Doctor, finally, you state this in your address, after having stated:

"When industry is government and government is industry, the dual conflict in our modern institutions will be abated."

That is your opinion?

Mr. TUGWELL. Yes.

Mr. BAILEY (reading):

"This is one of the basic reasons why the prospect of planned economy is so congenial to every other hope and belief I have."

Mr. TUGWELL. Yes.

Senator BAILEY. So, whereas you started in the beginning by saying that you were not in favor of a planned economy, you now admit in this address that the prospect of making industry government and government industry is one of the basic reasons why the prospect of "a planned economy is so congenial to every hope and belief I have."

So now a planned economy is congenial to your belief?

Note, here is his answer:

Mr. TUGWELL. The Senator is reading now from a footnote, I think—

Which I was—

and in the footnote I tried to explain what I meant, and I have tried to explain that passage before, that what I meant when I spoke then was the kind of thing which is now in existence in N.R.A. and A.A.A.

Remember, there was no N.R.A. and there was no A.A.A. in 1931, and remember, he had said in his 1931 address here that a planned economy, in order to be worthy of the name and to be effectual, should not be advisory; that it should have power and should not have power only in a limited way but should have power over every industry in the land. Yet he comes here and says that what he was talking about were the N.R.A. and the A.A.A. That is a strange reconciliation with his exposition of the character of a planned economy.

I forbear to say what impression that made upon my mind, but I am going to show the Senate that, whereas there he speaks of A.A.A. as a planned economy and N.R.A. as a planned economy, in the book I hold in my hand, Our Economic Society and Its Problems by Rexford Guy Tugwell and Howard C. Hill, he says that the N.R.A. is not a planned economy at all.

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

Mr. BAILEY. I yield.

Mr. KEAN. What is the date of that book?

Mr. BAILEY. 1934. It is just out. I quote from page 540:

The National Industrial Recovery Act provides mechanisms for social control, but the fruitful exercise of control depends upon the ideals of the people in whose hands it lies. We have not a plan, but rather opportunities to plan.

Yet in his answer to me he describes the N.R.A. and the A.A.A. as the plans which he had in mind.

Mr. BANKHEAD. Not a completed plan.

Mr. BAILEY. That is the kind about which he says:

These are not plans, but mere opportunities for plans.

A man cannot talk two ways to me without some effort at reconciliation.

How we utilize these opportunities depends upon the extent to which we discard laissez faire and embark upon policies of social control.

He means to go farther than A.A.A. and N.R.A., and there is his promise of it.

Remember, he was contending just now in the testimony in answer to my question that N.R.A. and A.A.A. were the limits of his planning. They were all he had in mind. He says in his book dated 1934—

That they are not plans, they are mere opportunities. It is a great mistake to regard recent legislation as in itself economic planning.

I hope the Senate gets the full force of that. I do not want to reiterate it, I do not want to elaborate it.

For if it is so regarded and then this legislation fails, many people would consider the planning idea a mistake, without raising the pertinent preliminary question as to whether planning had been tried.

I just remarked that a moment ago I read his statement that the planning he had in mind and was content with was the A.A.A. and the N.R.A. And here is his book in which he says that they are not plans; that it would be a great mistake to consider them plans; that they may fail; and if they fail, people would consider the planning idea a mistake without raising the pertinent preliminary question as to whether planning had been tried; and that the opportunities presented by this legislation depend upon the extent to which we discard laissez faire and embark upon the policies of social control.

And over here again in the same book, at page 541, he says:

Our task is to mold our social and economic environment so as to reap the largest possible rewards.

* * * * * * *

To put national plans into effect, we set up social controls.

I have other quotations, but I will be content with one here in his summary:

Complete economic planning is possible only when there is public ownership and control of the means of production.

Why did he not tell us that the other day? Why did he not answer us that way before the committee? Why did he tell us that all he had in his mind was the A.A.A. and the N.R.A.? I will not undertake to say; I will invite his friends and defenders to reconcile his testimony with the facts, and all of it from a record made by himself; and if they reconcile it consistently, with courage and candor and intelligence, I will go as far to the front in his behalf as any man here.

Now, Mr. President, I will draw to a conclusion. I have here a speech by Mr. Tugwell entitled "The Place of Government in a National Land Program"; address by Rexford G. Tugwell, Assistant Secretary of Agriculture, before the Farm Economic Association, at Philadelphia, Pa., Friday morning, December 29, 1933, at 10 o'clock.

The Federal Government will, I believe, perform two functions with respect to our land in the future. It will directly hold and administer, as public forests, parks, game preserves, grazing ranges, recreation centers, and the like, all areas which cannot at the time be effectively operated under private ownership. And it will control the private use of the areas held by individuals to whatever extent it is found necessary for maintaining continuous productivity.

If I understand that language, he means that the Government shall take over the farms of America as in fee-simple title with an absolute control. And that is supported further in his address:

Not only is it necessary for us to conserve our natural resources for the welfare of posterity; it is also necessary to regulate the use of land resources for the welfare of the living generations. We have depended too long on the hope that private ownership and control would operate somehow for the benefit of society as a whole.

Now put him in that office yonder; exalt him after he has made this speech and declaration, and you notify the farmers of America that at least there is one man in the American Government in high position who repudiates private ownership, who demands the regulation of the use of land resources for the welfare of the living generation.

I imagine the terror—but I will not indulge. My time is too short.

I quote again from Dr. Tugwell in his Philadelphia address:

The area of land in production would be sufficiently limited so that it could be operated at its utmost efficiency without flooding markets and destroying exchangeability. Such a system would envisage a commercial agriculture made up of the most efficient farmers operating the best of our lands; with the remaining lands

being used in other ways, and the remaining farmers devoting their time to other occupations.

Whoever heard before in America a responsible public servant saying, first, that the Government shall control the land of the farmer, and second, that the Government shall decide which farmers are efficient and which are inefficient, and, third, that the inefficient farmer shall not be permitted to farm?

Mr. President, that is the record. There are the facts. There are his words. And America—do not make any mistake about that—America will know it. The farmers of North Carolina will know it. The farmers of South Carolina will know it. The farmers of Nebraska will know it. The farmers of California will know it. The farmers of Maine will know it. The farmers of Louisiana will know it. And when they know it there will be no reason to fear. We need not get ourselves into any great passion about this sort of thing. Everything that Edmund Burke said in his speech on conciliation with America 150 years ago, everything he said by way of repudiating force in this land, everything he said about the heritage that we had brought with us from the land of our fathers, is as true today as it was the day he uttered it.

I have no fear. And least of all do I have fear from a leader who, called in question as to his views, conducts himself on the stand as did Dr. Tugwell.

If there is to be a revolution in America, it will come from revolutionaries who do not fear to stand for their utterances. Leadership is not made of that sort of stuff. We have nothing to fear.

Mr. President, I was over yonder at Gettysburg about 10 days ago and I saw the field of that great and crucial struggle between the North and the South, the Confederates and the Federal Unionists. I stood under the shadow of the image of Robert E. Lee. I stood hard by that monument of the North Carolina boys who laid down their lives in the great charge under Pickett on the open field. I stood by the spot where Lincoln rededicated himself and all his people to a government of the people, by the people, and for the people, that it shall not perish from the earth.

I wondered for a moment what it was all about. I seemed to hear voices from 10,000 graves. Why, Mr. President, that battle was fought for liberty, human liberty. The Confederates plunged across that field not to enslave Negroes but to maintain the freedom of the States which constitute the Union. The Federal soldiers who withstood the charge and won the day and drenched the field with their blood were fighting for union and liberty. There is the field of America's struggle. To that great shrine in hours like these we can go and have assurance that all the Tugwells in the world could not strike liberty from this land.

Mr. President, I have no fear. Come what may, liberty is secure in America; liberty is in the blood of America.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Rexford Guy Tugwell to be Under Secretary of Agriculture?

Mr. McNARY. Mr. President, I note the absence of the leader on the Democratic side. I hope we may get at this time some agreement to recess until tomorrow. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

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

Mr. LEWIS. Mr. President, I pray the Senate to indulge me while I announce the absence of the Senator from California [Mr. McADOO], occasioned by illness; the absence of the Senator from Idaho [Mr. POPE], in attendance on the funeral of the late Representative COFFIN, of Idaho; the absence of the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS], who are detained on official business.

I also beg to inform the Senate that I am this moment in receipt of a telegram from the Senator from North Carolina [Mr. REYNOLDS], who has been called away on official business, stating that he is on his way to the Senate, and will be here in time to vote upon the pending nomination.

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. ROBINSON of Arkansas. Mr. President, I ask the attention of Senators. I should like either to proceed with the discussion of this nomination or to arrange for a limitation on debate and for a time to vote upon it tomorrow.

I have been informed that certain Senators desire to speak with reference to the nomination. They do not rise for that purpose. I do not know any reason why the Senate should not vote at this time.

Mr. McNARY. The only reason I know is that the debate is not exhausted.

Mr. ROBINSON of Arkansas. Very well; if any Senator wishes to speak, he is at liberty to do so.

Mr. McNARY. I think it would be the part of a generous conduct of the majority leader if he would now move a recess until 11 o'clock in the morning. If that action shall be taken, I feel certain that we can get through with this nomination tomorrow, as well as the railroad bill, which is the unfinished business.

Mr. ROBINSON of Arkansas. I am about to submit a request for unanimous consent.

Mr. BLACK. Mr. President, will the Senator yield before that is done?

Mr. ROBINSON of Arkansas. Yes.

Mr. BLACK. Before the Senator from Arkansas came into the Chamber no Senator had risen to speak, and there was no indication that anyone desired to speak. I am just telling the Senator that for his information. If Senators do not desire to speak, it seems to me we should vote.

Mr. McNARY. I can assume that responsibility. The able majority leader, the Senator from Arkansas, was absent. There was a momentary lull, and I suggested the absence of a quorum, so that those who desired to speak might be here; so probably I prevented any Senator from attempting to get the attention of the Presiding Officer.

Mr. ROBINSON of Arkansas. Mr. President, I am about to submit a request for unanimous consent, and if it shall be agreed to I will not insist upon going on this evening. If it cannot be agreed to, I shall insist on proceeding with the debate.

I ask unanimous consent that when the Senate concludes its labors tonight it take a recess until 11 o'clock tomorrow morning, and that after the hour of 1 o'clock tomorrow afternoon no Senator shall speak more than once or longer than 15 minutes on the pending question or any issue in relation thereto.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, I am not satisfied with that proposal. I am not sure, however, that I am in a position to make a counterproposal which will be acceptable to the Members on this side.

Mr. ROBINSON of Arkansas. Mr. President, I think the suggestion made by me is a very reasonable one, in view of the fact that there is a full representation in the Senate now, and no Senator is ready to speak.

Mr. McNARY. I exculpated the other Members of the Senate. I prevented any other Member from taking the floor.

Mr. ROBINSON of Arkansas. I have already indicated that any Senator who desires to do so may take the floor at this time.

Mr. McNARY. The Senator from Arkansas has made a proposal. Let us consider that.

Mr. ROBINSON of Arkansas. Very well.

Mr. McNARY. I submit a counterproposal, without knowing whether or not it will be satisfactory to Senators on this side—that we meet at 11 o'clock tomorrow morning and that a limitation of debate take place at 3 o'clock, no Senator speaking more than once or longer than 30 minutes.

Mr. ROBINSON of Arkansas. That will consume the entire day.

Mr. McNARY. I think not.

Mr. ROBINSON of Arkansas. I cannot consent to that. I think it would be better to proceed now. In view of the objection of the Senator from Oregon, I ask that the Senate proceed with the discussion.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture?

Mr. ROBINSON of Arkansas. I call for the yeas and nays.

Mr. McNARY. Mr. President, I desire to submit another proposal to the Senator from Arkansas, who always wants to be reasonable.

Mr. ROBINSON of Arkansas. The Senator from Arkansas not only wants to be, but is, reasonable. I think the request of the Senator from Oregon does not come within that classification.

Mr. McNARY. That is a debatable question.

I submit a proposition that the Senate meet at 11 o'clock tomorrow morning, and that general debate ensue until 3 o'clock, and that after 3 o'clock debate be limited to 15 minutes on the part of each Senator.

Mr. ROBINSON of Arkansas. Mr. President, I will modify my request, as follows, to conform to the suggestion of the Senator from Oregon.

I ask unanimous consent that when the Senate concludes its labors today, it take a recess until 11 o'clock tomorrow; that after the hour of 3 o'clock tomorrow no Senator shall speak more than once or longer than 15 minutes on the nomination, or on any issue pertaining thereto.

The PRESIDING OFFICER. Is there objection?

Mr. BANKHEAD. Mr. President, may I suggest that we come to some agreement as to a reasonable division of time between the two sides of the Chamber?

Mr. McNARY. Mr. President, I should be glad to enter into such an agreement, that the time be divided between those who favor and those who oppose Mr. Tugwell's nomination.

Mr. BANKHEAD. To be under the control of the two leaders, the majority leader and the minority leader.

Mr. NORRIS. Mr. President, let me suggest that so far in the debate all the time has been taken up by those who were opposed. It would hardly be fair now to divide the time evenly between the two sides.

Mr. ROBINSON of Arkansas. I suggest to the Senator from Alabama that, inasmuch as the Senator from Oregon did not make that requirement, it is poor strategy on the part of those who favor the confirmation of this nomination to make the suggestion. I am satisfied that we will get our share of the time without any such arrangement, and we have not taken up any time so far.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement submitted by the Senator from Arkansas? The Chair hears none, and it is so ordered.

MEMBERSHIP OF UNITED STATES IN INTERNATIONAL LABOR ORGANIZATION

As in legislative session,

Mr. ROBINSON of Arkansas. Mr. President, unless there is some Senator who desires to proceed now, I desire to report a joint resolution from the Committee on Foreign Relations and ask consent for its present consideration.

From the Committee on Foreign Relations I report back favorably without amendment the joint resolution (S.J.Res. 131) providing for membership of the United States in the International Labor Organization.

The PRESIDING OFFICER. The joint resolution will be read.

The joint resolution was read, as follows:

Whereas progress toward the solution of the problems of international competition in industry can be made through international action concerning the welfare of wage earners; and

Whereas the failure of a nation to establish humane conditions of labor is an obstacle in the way of other nations which desire to maintain and improve the conditions in their own countries; and

Whereas the United States early recognized the desirability of international cooperation in matters pertaining to labor and took part in 1900 in establishing, and for many years thereafter supported, the International Association for Labor Legislation; and

Whereas the International Labor Organization has advanced the welfare of labor throughout the world through studies, recommendations, conferences, and conventions concerning conditions of labor; and

Whereas other nations have joined the International Labor Organization without being members of the League of Nations; and

Whereas special provision has been made in the constitution of the International Labor Organization by which membership of the United States would not impose or be deemed to impose any obligation or agreement upon the United States to accept the proposals of that body as involving anything more than recommendations for its consideration: Therefore be it

Resolved, etc., That the President is hereby authorized to accept membership for the Government of the United States of America in the International Labor Organization, which, through its general conference of representatives of its members and through its International Labor Office, collects information concerning labor throughout the world and prepares international conventions for the consideration of member governments, with a view to improving conditions of labor.

SEC. 2. That in accepting such membership the President shall assume on behalf of the United States no obligation under the Covenant of the League of Nations.

Mr. ROBINSON of Arkansas. Mr. President, it is the desire of the representatives of labor with whom I have consulted, as well as of the Department of Labor, that this joint resolution be enacted.

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

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

FIRST DEFICIENCY AND EMERGENCY APPROPRIATIONS

Mr. ADAMS. Mr. President, I ask unanimous consent to submit a report from the Committee on Appropriations.

Mr. LA FOLLETTE. Mr. President, I object to the report being received out of order.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBINSON of Arkansas subsequently said: Mr. President, I understand that the Senator from Wisconsin desires to make a statement.

Mr. LA FOLLETTE. Mr. President, the reason for my objection to receiving the report from the Committee on Appropriations out of order was that as yet I have been unable to get an opinion from the parliamentarian as to whether certain amendments which I desire to offer to the deficiency bill will be considered to be out of order because they would be construed to be general legislation. I therefore ask unanimous consent that, notwithstanding paragraph 1 of rule XVI, I shall have the right to offer certain portions of a public works bill now pending before the Committee on Education and Labor as amendments to the bill.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request submitted by the Senator from Wisconsin?

The Chair hears none, and it is so ordered.

Without objection, the report submitted by the Senator from Colorado will be received and go to the calendar.

Mr. ADAMS, from the Committee on Appropriations, to which was referred the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, reported it with amendments and submitted a report (No. 1418) thereon.

PROCEEDINGS ON ACCEPTANCE OF STATUES OF GEORGE WASHINGTON AND ROBERT E. LEE

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 45, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed with illustrations, in such form and style as may be directed by the Joint Committee on Printing, 7,000 copies of the proceedings in Congress, together with the proceedings held in the Rotunda of the Capitol and such other matter as may be relevant thereto, upon the acceptance of the statues of George Washington and Robert E. Lee, presented by the State of Virginia, of which 1,000 shall be for the use of the Senate and 2,300 for the use of the House of Representatives, and the remaining 3,700 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Virginia.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

Mr. HAYDEN. Mr. President, I ask unanimous consent for the present consideration of the concurrent resolution.

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

PROCEEDINGS ON UNVEILING OF STATUE OF WILLIAM JENNINGS BRYAN

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution No. 43, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be printed with illustrations, in such form and style as may be directed by the Joint Committee on Printing, 5,000 copies of the proceedings held in connection with the unveiling of the statue of William Jennings Bryan, in Washington, D.C., May 3, 1934, together with such other matter as may be relevant thereto, of which 1,000 copies shall be for the use of the Senate, 3,100 copies for the use of the House of Representatives, and 900 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Nebraska.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

Mr. HAYDEN. Mr. President, I ask unanimous consent for the present consideration of the concurrent resolution.

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

PRINTING OF HEARINGS BEFORE COMMITTEE ON COMMERCE

Mr. HAYDEN. Mr. President, I report back favorably from the Committee on Printing the resolution (S.Res. 268) providing for the printing of additional copies of hearings held by the Committee on Commerce on Senate Resolution 74, a resolution authorizing an investigation of the matter of so-called "rackets" with a view to their suppression.

I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Commerce of the Senate be, and is hereby, empowered to have printed for its use 1,000 copies of part 4 of the hearings held before a subcommittee of said committee during the second session of the Seventy-third Congress, on the resolution (S.Res. 74) entitled "Resolution authorizing an investigation of the matter of so-called 'rackets' with a view to their suppression."

MISSOURI RIVER BRIDGE NEAR FLORENCE, NEBR.

The PRESIDING OFFICER (Mr. GEORGE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 3230) creating the Florence Bridge Commission and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Florence, Nebr., which was to strike out all after the enacting clause and insert:

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.

Mr. THOMPSON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ACCOMPLISHMENTS OF THE ADMINISTRATION—ADDRESS BY SENATOR VAN NUYS

Mr. BYRD. Mr. President, the Senator from Indiana [Mr. VAN NUYS] delivered a very able address before the Democratic State Convention in Indiana on the 12th instant. I ask unanimous consent to have it inserted in the RECORD.

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

I thoroughly appreciate the opportunity of presiding over this great convention. The stress and rivalry, optimism, and confidence so palpably apparent here today is indicative of a wholesome and encouraging condition in our political party. That I may add to that confidence and optimism by a brief summary of the efforts and accomplishments of the administration in power is my sincere desire.

It is no exaggeration to say that no administration ever went into power faced by such desperate necessity for action as that which confronted the present administration on March 4, 1933. Seemingly helpless and hopeless, the American people turned to this new administration to save them from economic, industrial, and political chaos.

The forgotten man was not merely one individual but comprised an overwhelming percent of all classes and conditions of our citizenship. Hundreds of thousands of industrial workers were walking the streets of our cities and towns in search of a job, our farmers were bankrupt under the burden of debt and inadequate prices for their commodities, small home owners were faced with foreclosure and eviction, the thrift and savings of the great masses of our people were being swept away in Nationwide bank failures.

Never before in the history of the American people, not even in the reconstruction period following the Civil War, were our people so demoralized and discouraged. It was a herculean task which confronted the Democratic administration on March 4, 1933. Not only was it necessary to formulate speedy and effective relief measures but ultimate success rested more deeply upon the restoration of confidence in the people themselves to combat successfully the inroads of the panic and the depression.

Franklin D. Roosevelt, from the moment he assumed office, began to assert every quality necessary for a great leader of a great people. He proved himself fearless, aggressive, resourceful, and, above all else, possessed of a wholesome optimism which he communicated to the people and dissipated their doubts and fears by a renewed and redoubled courage. One of the greatest accomplishments in our history has been the restoration of the morale of the American people in such short time under the leadership of President Roosevelt.

Responsibilities comparable to those which confronted the Chief Executive faced the Seventy-third Congress. If the plans and purposes of the administration were to function, if America and American institutions were to be salvaged from complete collapse, the Congress must act speedily and sympathetically in providing the necessary means and money for the most far-reaching relief program ever undertaken by this or any other government.

I have no sympathy with those who have been continually carping about what they call the "subserviency" of this Seventy-third Congress. My observations, and they have been close and intimate, justify the statement that Congress has not been subservient, but it has been unusually patriotic. There have been exceptions, of course, but the overwhelming majority of Members on both the Democratic and Republican sides of the two Chambers spurned the traditional pettifogging and partisan tactics of the past and got down to the serious business of bringing instant and imperative relief to the American people. In large measure, the Seventy-third Congress assumed responsibilities and is deserving of praise and plaudits equal to those so universally and justly accorded to the Executive department of the Government.

May I take the opportunity right here to say a word in praise of the loyal and worthy work of the Indiana delegation in the lower House of Congress during the special and regular sessions. From constant personal contact with the members of that delegation, I know that day after day and night after night the Indiana delegation worked unceasingly in the committee rooms and on the floor of the House in whipping legislation into shape and assuring its speedy passage. No group of legislators were ever more loyal to their constituents or more deserving of praise from their fellow Indianians than my colleagues in the lower House of Congress.

I shall herein summarize some of the recovery measures authorized by the present Congress. Let those who have attempted to block recovery by long-drawn-out speeches, filled with glittering generalities for home consumption, specifically point out which, if any, of such measures they do not sanction.

The first problem which confronted the administration was the reestablishment of our banking institutions. As indicative of the fact that he proposed to meet his responsibilities courageously, on the very first day of the new administration the President declared a bank holiday for every bank in America—perhaps the most momentous decision ever called for in our later history. One week later the President spoke to the people of the Nation over the radio in one of the most reassuring addresses in his career in which he very simply but convincingly outlined his program. He said: "It was the Government's job to straighten out the bad banking situation and do it as quickly as possible, and the job is being performed."

The new Congress realized the exigencies of the situation, and upon being called into special session promptly confirmed the President's proclamation and granted him the power to extend the moratorium and gradually lift the same, while the Government was taking steps to check the flow of gold abroad and develop a program of finanical rehabilitation.

In this field of banking, the past year has witnessed a marked restoration of public confidence. A substantial volume of hoarded gold coin has been returned to the Treasury and Federal Reserve banks. In addition, monetary gold, the country's basic reserve for currency and credit, was reported in April of this year at $7,700,000,000, compared with $4,200,000,000 on March 8, 1933. Although the largest single factor is the weight of the gold dollar, these figures also reflect a substantial return flow of gold from foreign countries.

The basic reserve balance of the Federal Reserve member banks rose from $1,800,000,000 on March 8, 1933, to $3,700,000,000 in April of this year, more than $1,600,000,000 in excess of the statutory requirements. At the same time member banks' borrowings from the Federal Reserve dropped from $1,400,000,000 to only $4,000,000.

This position of the banks is partly a result of the return of currency from hoarding and its redeposit in the banks of the Federal Reserve System, largely the result of the substantial flow of gold from abroad. But it also reflects the pursuit of a policy favorable to low money rates and to the promotion of increased use of credit. The level of interest rates has dropped rapidly and continuously, until bankers' acceptances now command only three-sixteenths of 1 percent, the lowest level in the history of the market.

Demand deposits of member banks in leading cities have risen from $9,300,000,000 on March 8, 1933, to $12,200,000,000 at the last report, a gain of approximately $3,000,000,000. At the same time these banks, although showing little changes in loan and miscellaneous security holdings, have added some $1,800,000,000 to their investments in Government securities.

The banks of the country are today in an easy position and are able, without strain, to support an amount of credit even in excess of that of 1929.

Pending the reestablishment of more normal credit and in aid of same, numerous governmental agencies have advanced huge sums from the public funds to private institutions.

Since the end of February 1933, the Reconstruction Finance Corporation financed loans and subscriptions to the net amount of approximately $1,600,000,000 to banks and trust companies, mortgage-loan companies, Federal land banks, railroads, home-loan banks, the Commodity Credit Corporation, the Land Bank Commissioner, the Federal Farm Mortgage Corporation, and others.

In addition to such advancements through the R.F.C., the Federal Government has directly and indirectly made available equally substantial funds through such agencies as the Public Works Administration, the Federal Deposit Insurance Corporation, and the Federal land bank. The machinery is now being set up whereby direct loans may be made to industry. This has been one of the crying needs of the hour and will, in my opinion, speed up our industrial recovery to a greater extent than any other Federal activity and with very little, if any, ultimate loss to the Government.

Although having expended billions of dollars in order to stimulate reemployment and thus start recovery, the Federal credit is still the finest in the world. While the Treasury Department has found it necessary during the period from March 1933 to the present time to borrow substantial amounts of funds in order to finance this program yet it has refunded approximately $3,200,000,000 of Liberty bonds.

On March 3, 1933, only two of the eight issues of Treasury bonds outstanding were selling above par, and all of the eight note issues were selling at a discount. At the present time, in the face of the vast expenditures for relief, in the face of guaranteeing farm credit and home-loan bonds, in the face of the expenditures of the P.W.A. and the C.C.C. and the C.W.A. and other governmental activities intended and directed for the purpose of restoring employment and reviving industry, all Government bonds are selling at par and some are selling at a premium of more than 10 points.

The credit of the United States is firmly established.

As of personal interest to the citizens of Indiana, let me point out that since the banking moratorium the United States Government, through the R.F.C., has loaned to 83 banks in receivership in Indiana and 6 banks being liquidated by conservators a total sum of $13,247,589.77. Of this amount to the 83 banks in receivership, the greater majority of which are State banks, there was allocated $8,939,149.85, and the 6 banks being liquidated by conservators were granted $4,308,439.92. All of this, more than $13,000,000 is being distributed through these banks to the depositors and through them directly into the channels of trade and industry.

The second offensive on our economic front was waged in behalf of the farmers of America. The agricultural situation of the Nation presented a peculiar paradox. Through the industry and ability of our farmers, we were growing bumper crops, yet because of the economic condition of the world and Nation the farmer was obtaining less for his crops than their production cost him. Obviously, such a situation was bankrupting the farmers of the Nation.

When the World War took 40,000 European acres out of production, the farmers of America speeded up their production accordingly in order to feed the world. The war ended and Europe resumed production, but America took no heed. In 1932, 14 years after the armistice, farmers of the United States raised 10 percent more than they had in 1918. Surpluses in our agricultural products continued to accumulate in such proportion that no one could sell profitably in a market in which the supply so exceeded the demand. The administration inaugurated a two-fold program. It undertook first to adjust farm indebtedness by refinancing farm mortgages and by devaluing the dollars which the farmer owed. It next undertook to raise the price of farm commodities by the reduction of crop surpluses. It is further expected that through oncoming tariff adjustments agricultural surpluses may find a new and remunerative market.

May I first call your attention to the benefits which have accrued to Indiana farmers through the efforts of the Government to reduce crop surpluses?

While I am speaking here the Department of Agriculture is preparing payments to the farmers of Indiana on their corn-hog reduction contracts in the total sum of approximately $9,000,000. The 24,069 Indiana farmers who subscribed to the Government's wheat-control program have received to date the sum of $1,340,538. Within a few weeks checks will go forth for an additional $520,000, which will make for a total of $2,000,000 in wheat-adjustment payments for Indiana.

Eighty thousand farmers of Indiana signed the corn-hog contract, which represents better than 70 percent of the producers of the State. A total of $20,500,000 will be paid to Indiana farmers who signed these contracts, the amount of corn payments totaling $8,000,000 and the amount of hog payments $12,500,000.

Indiana farmers have been aided materially through loans on warehouse corn made by the Commodity Credit Corporation, at the gross rate of 45 cents per bushel. The estimated corn loans to be made in Indiana are being placed by the Department at $1,000,000.

From statistics furnished by the Agricultural Adjustment Administration, Indiana agriculture will benefit from this Department alone during the present year to the extent of $25,500,000.

Much criticism has been directed toward the operations of the Agricultural Adjustment Administration. This criticism is easily explained. Since 1921 the opposition party promised every day, every month, and every year that it would do something to aid the farmer. Yet not until a Democratic President and a Democratic Congress assumed the responsibilities of government was a comprehensive and aggressive program initiated looking toward substantial and permanent relief to agriculture.

The corn-hog production adjustment plan is typical of many other activities of the A.A.A. All such activities are directed toward one end; that is, to bring supply into better balance with

actual demand. The decline in United States exports since 1919 is equivalent to nearly 13,000,000 market-weight hogs. This may be accounted for in part by heavier hog production abroad and higher foreign tariffs. Excess in pork and lard in the United States must therefore find an outlet in the home market. It is this surplus which in part has driven hog prices to the impossible low levels of recent years.

The same situation exists as to corn. We have a corn-production problem because we continue to raise enough corn to feed the excess of hogs. When we cut down the production of hogs it is imperative that we correspondingly reduce corn acreage. Otherwise the corn surplus will continue to depress corn prices. Hence the combined corn-hog production adjustment plan. It is not claimed that this or any other controlled-production plan is a universal answer to the problem of restoring adequate returns to the farmer, but, in conjunction with other recovery measures, it will aid in promoting a lasting and self-sustaining recovery. American agriculture now is awakening through the stimulus of Federal aid. Business throughout the Nation is benefiting from this stimulus.

May I now call your attention to the accomplishments of the Government in the way of refinancing farm indebtedness? From June 1, 1933, until May 1 of this year, the Farm Credit Administration loaned a total of more than $30,500,000 to farmers in Indiana. Of this, approximately $29,500,000 consisted of long-term farm-mortgage loans, the largest part of which was used by the borrowers to refinance their indebtedness. With the assistance of the Farm Credit Administration, 10 production credit associations, having an aggregate authorized capital of $1,220,000, were organized during the past year by Indiana farmers. These associations now are providing production loans by means of discount and loans obtained from the Federal Intermediate Credit Bank of Louisville.

Throughout the United States a total of approximately $791,000,000 of farm-mortgage loans will have been closed during the first year of the Farm Credit Administration, ending May 27 of this year. Of this, about $704,000,000 was used by the borrowers to refinance their debts. During the year approximately 660 production credit associations were established throughout the entire country. These associations now are providing about $600,000 of production credit each day for farmers, at an annual interest rate of only 5 percent.

Thus has the Federal Government lifted the burden of farm-mortgage indebtedness from the shoulders of agriculture and placed in the hands of the farmer sufficient money to rehabilitate himself. Indiana farmers, through the Agricultural Adjustment Administration and the Farm Credit Corporation, have received $54,000,000 in loans and benefits during the past year.

The next problem which confronted the administration was the lightening of the load of mortgage indebtedness upon the small home owner. Since 1930 mortgages on more and more homes were being foreclosed by banks and loan companies. Frozen assets resulting from this type of collateral were causing banks to close their doors and building-and-loan associations to restrict credit.

During less than 1 year of operation of the Home Owners' Loan Corporation $728,651,191 in bonds and cash have been advanced on 246,355 homes located in every section of the country. Loans are being concluded at the rate of $8,000,000 a day. Upon the average, approximately 14,000 loans are being completed each week, calling for the sum of $50,000,000.

Of this $728,651,191 advanced, more than $44,000,000 has been turned over to State, county, and city officials in payment of back taxes on homes which the Home Owners' Loan Corporation has refinanced. Also approximately $9,000,000 has been advanced by the Corporation to pay for repairs on homes, and approximately $12,000,000 has been paid for fire insurance on the properties, legal, appraisal, and other incidental expenses.

I point, with pardonable pride, to the record made by the Home Owners' Loan Corporation in the State of Indiana. As of May the 18th, the Home Owners' Loan Corporation closed 13,810 loans in the State of Indiana amounting to $31,158,132. Our Indiana office ranks third in the number of loans closed and first from the point of efficiency and the low cost of overhead in making loans.

In addition to the efforts of the Government to save the small home owner from foreclosure and eviction, there now is under way a program to provide rehabilitation of homes which are in need of repair. This also will bring millions of dollars into the channels of trade, through the purchasing of equipment and material and the hiring of labor.

One of the greatest offensive drives of the Government toward reemployment was directed through the vehicle of the Public Works Administration.

Because of the $1.50 Indiana tax law, it was difficult to obtain as large amount of allotments as was desired.

However, may I call your attention to the fact that the allotments for Federal projects exclusively, in the State of Indiana, from the inception of the Public Works Administration until March 15 of this year, totaled $13,125,000. This included $10,037,483, which was Indiana's share of the $400,000,000 allotted by Congress for highway construction.

Of the $200,000,000 allotted for work-creating loans to railroad companies, the best estimates obtainable indicate that $11,518,000 of this fund benefits the State of Indiana directly. Sixty-seven Indiana projects, which ranged all the way from the construction of electric-light plants to sanitary sewage-disposal plants, were granted a total of $18,425,000 in allotments by the Public Works Administration. Thus Indiana has received from Public Works Administration allotments a total of more than $43,000,000, with requests totaling many millions more on file for review at the present time by the P.W.A., and all indications are that a large number of these will be approved.

At the present time there is occurring in Indiana, at Decatur, a most interesting economic experiment. The Division of Subsistence Homesteads has approved the undertaking of one of its projects in the State, to be located at Decatur. This was selected from a great number of plans drawn up in various locations in the State and represents one of the demonstrations of the subsistence-homestead plan as applied to a small industrial town.

The fundamental purposes of the subsistence-homestead program is to demonstrate a means of securing the redistribution of the overbalance of population in industrial centers and the decentralization of industry. At the edge of Decatur city limits 48 small homesteads, of approximately 1 acre each, are being located and made available to workers of industries of that city. Decatur is an example of a decentralized industrial town to which the subsistence homestead is most easily adapted. Of these subsistence homesteads, the workers, many of whom will work seasonally or part time, will raise a considerable amount of food supplies for their own use.

An allocation of $125,000 has been made for the development of the Decatur project. Similar projects for Indiana are under consideration, but as yet no definite decision has been reached as to what additional work may be undertaken in this State.

Families selected will be able to purchase these homesteads for between $2,000 and $3,000 by making monthly payments over a period of 20 years.

We are all deeply interested in this phase of rehabilitating the small-home owner and the industrial worker and are extremely hopeful of obtaining other subsistence-homestead projects in the State of Indiana.

The administration also recognized the necessity for providing employment for the rising generation of America. Approximately one-half million young men between the ages of 18 and 20 were graduating from high school and approximately 200,000 were leaving college after 4 years of education, but with no opportunity for useful employment offered them. With 10,000,000 people walking the streets it can be readily understood why industry could not absorb this generation.

The President sent to Congress a new humanitarian law which was entitled "An act for the relief of unemployment through the performance of useful public works, and other purposes."

The Republican opposition, in the winter of their discontent, immediately began making fun of the plan which called for the employment of at least a half million young Americans in reforestation work. The opposition could not realize that by providing clean, wholesome surroundings and work for these young men, the growing American generation was being saved from becoming drifters, pool-room hangers-on, idlers, and perhaps criminals.

Criticism died out, however, when it was found that the young men were coming home from the civilian conservation camps stalwart, ruddy cheeked, well fed, healthy, and with an eager desire to work. Not only did the C.C.C. camps provide an economic remedy but they also had a psychological effect upon the Nation through enabling the younger generation to obtain gainful employment.

Approximately 300,000 American men were enrolled in the Civilian Conservation Corps; this group was made up of young men, war veterans, and locally enrolled workmen. So successful has the Civilian Conservation Corps been that it has been authorized for another year, and 90 percent have reenlisted.

Indiana's quota of 7,269 men remains the same for 1934. Approximately 2,400 of this quota will work in camps outside the State. The work program carried on in Indiana will include such projects as the improvement of forest areas, consisting of the planting of new and the weeding out of older trees and soil-erosion control work. Due to the emergency conservation work program, which was initiated in April 1933, the total expenditures for the emergency conservation work in Indiana was $4,300,606.

Through the employment of these 7,269 men in Indiana last year approximately 30,000 people were taken off the emergency relief rolls of the State. It is estimated that the C.C.C. men from Indiana sent home during the past year $1,382,624 in allotments to their dependents. Each enrolled man allots from $20 to $25 of his $30 monthly pay to his dependents.

Twenty-four camps will be located in Indiana this year, and with an approximate expenditure of $5,000,000 which goes directly into the arteries of commerce, is a direct stimulus to industry.

However, this only coped with one phase of the problem. It was necessary to create employment on socially and economically desirable projects for at least 4,000,000 unemployed men and women in order to stimulate the progress and recovery of industry. In October of 1933, when the figures for the fall relief rolls were found to be above 3,000,000 families, or over 13,000,000 persons, it became evident that some unusual method would be necessary to meet the unemployment crisis of the coming winter.

The largest part of relief expenditures was being made to employable persons. It was observed that if these funds could be supplemented and all employable persons on relief given regular jobs at regular wages their status and their morale would be greatly improved. More than that, the vast increase of purchasing power would be generated throughout the whole country and a stimulus given to all the other recovery programs. The number of persons on local relief on November 15, 1933, able and willing

to work was estimated at 2,000,000. The other 2,000,000 for whom the program provided jobs were to be drawn from the ranks of self-sustaining unemployed.

The Civil Works program was announced to the press by the President on Wednesday, November 8, 1933. The following day the Federal Emergency Administration of Public Works, by action of the special Board, released $400,000,000 for the financing of the plan, and the President issued the Executive orders which created the Civil Works Administration. Civil Works Administrations were set up in each State. The whole program was decentralized in all respects so that maximum speed of operation has been possible in getting men to work.

Civil Works projects form part of the comprehensive program of public works provided for in the National Industrial Recovery Administration. On November 20 all persons on the local work relief rolls in the various States were transferred to the pay rolls of the Civil Works Administration.

Local work relief throughout the United States was almost entirely abolished. Those work-relief projects which fell within the comprehensive program of public works were taken over as Civil Works projects. Workers on projects which did not qualify were immediately transferred to qualified projects. On the first pay day 1,108,692 workers received Civil Works Administration checks. On January 18, 4,040,000 workers were employed. There has been paid out to date $826,225,162 on such pay rolls.

You are familiar with the type of work that was being done all over the country, because Indiana presented an excellent cross-section of this work. Let me call your attention to some statistics relating to the Civil Works program in Indiana.

Advances to date for this program in Indiana total $23,381,000, and the peak employment was placed at 105,275 individuals.

You are familiar with the extensive and valuable services rendered to the State through this employment vehicle and also the invigorating effect upon business generally.

If you will permit me to recapitulate, loans totaling $28,979,172.77 were granted to Indiana banks and industry through the Reconstruction Finance Corporation.

Agriculture, through the Agricultural Adjustment Administration, is being aided to the extent of $22,500,000.

The Farm Credit Administration, which was established to refinance farm mortgages and to provide other credit facilities to farmers at lower interest rates and on better terms, loaned to Indiana farmers the sum of $30,500,000.

The Home Owners' Loan Corporation, which was set up to help refinance and extend urban credit, has aided Indiana home owners in the sum of $31,158,132.

The Public Works Administration, which was organized to expand purchasing power by undertaking activities which called for great outlays for materials and wages, allotted to Indiana $43,068,000.

The subsistence homestead project at Decatur was allotted a loan of $125,000.

The Civilian Conservation Corps has brought into the channels of trade $4,300,606 and the C.W.A. has afforded relief to the unemployed of the State, through funds totaling approximately $23,381,000, and thus has provided direct relief to the merchants to whom the unemployed were greatly indebted.

The National Recovery Act has functioned to raised pay rolls through the elimination of sweatshop wage conditions, has balanced increased efficiency with shorter hours so as to decrease unemployment, coordinated business activity, and created a stable flow of purchasing power.

Credit for the restoration of public confidence and the spirit and will to win must also be given to the N.R.A. There is little doubt that the shock troops of our fight for economic recovery was the N.R.A. It was natural that in such a hastily constructed and intensive program, failures and mistakes would inevitably occur. Such mistakes are, and will continue to be, rectified as rapidly as possible.

The Recovery Act on the whole has yielded favorable results, although the road to be traveled is yet a long one.

The banking system has been rehabilitated and has won the confidence of the depositors through the Federal Deposit Insurance. The operation of this insurance fund which is being administered by the Federal Deposit Insurance Corporation, guarantees deposits of participating banks as high as $2,500. It is legislation for the little fellow whose life savings are involved. At the beginning of May of this year, 13,983 National and State banks held membership in the insurance fund. In these institutions there are approximately 56,000,000 of insured accounts. Insured deposits aggregate nearly $16,000,000,000 and the total deposits of the participating banks aggregate more than $38,000,000,000.

All of these recovery measures are interrelated. Their goal is the same—to bring about a general business revival on an enduring basis.

I have not touched upon many measures which are supplementary to the program above set out and which are of a permanent nature. To the Securities Act and the Banking Act of 1933, the new stock exchange bill was added at the current session. The purpose of all three enactments is intended to make the banking machinery of the country more amenable to the demands of all the people. They are part of the administration's purpose to give to the country the best financial system it has ever had, a system devoted to public service and free from racketeering and exploitation.

The Federal Reserve Bulletin for this month will show that production of manufacturers which have been increasing continuously since last November, will have further advanced and the Board's combined index of industrial production is practically 85 percent of the 1923–25 average. During the first 2 weeks of May steel operations increased, but have declined somewhat because of the industrial difficulties. Volume of employment and wage payments continued to increase in April and May and employment in factories according to a new index of the Bureau of Labor Statistics is larger than any time since the end of 1930.

There was a substantial seasonal increase in the number of workmen employed in private construction as well as those engaged in projects financed by the Public Works Administration. Employment on railroads, in metal mining and quarrying, and various services and activities also increased.

While there was a substantial decline of public-works projects, contracts of privately financed construction showed a slight increase in April. Sales in department stores continued larger than a year ago and the general level of wholesale commodity prices, as measured by the Bureau of Labor Statistics Index has shown little change during the past 3 months. Prices of grains, cotton, silk, and silver, which declined sharply in April, rose during the first 3 weeks of May.

Another measure by which it is proposed to stimulate industry and increase the market for agricultural products occupied the time of the Senate for the last 2 or 3 weeks. I refer to the tariff amendment. In support of the new tariff enactment, the President said in his message to Congress: "Other governments are to an ever increasing extent winning their share of international trade by negotiated, reciprocal trade agreements. If American agricultural and industrial interests are to retain their deserved place in this trade, the American Government must be in a position to bargain for that place with other governments, by rapid and decisive negotiation based upon a carefully considered program, and to grant with discernment corresponding opportunities in the American market for foreign products supplementary to our own. If the American Government is not in a position to make fair offers for fair opportunities, its trade will be superseded."

The Secretary of Agriculture testified before the House Committee on Ways and Means as follows: "We have been making a preliminary study of the wage earners, of the gainfully employed, including those in both agriculture and industry, and have found, in a rough way, that millions of our gainfully employed wage earners and agricultural workers are in industries and branches of agriculture which are on the export market, and which would decidedly be beneficially affected by this bill."

It has been repeatedly asserted that our exports only amount to 9 or 10 percent of our total production. This is probably true on the average. Yet the funds derived from our export trade constitute the surplus money of the Nation. The value of domestic exports in 1929 amounted to $5,145,739,189. In 1932 it amounted to $1,572,374,092, or a decrease of 69.4 percent. The value of domestic exports from Indiana in 1929 amounted to $73,740,468. In 1932 the amount fell to $17,244,177, or a decrease of 76.6 percent. Only five other States in the Union showed a larger decrease than Indiana during that period of time.

Doesn't it behoove every phase of the agricultural and industrial life of our State to be interested in the restoration of a more normal export trade? And that is exactly the purpose, and the sole purpose, of the amendment. It is limited in its operation to the period of 3 years. Like many other enactments of the present session of Congress, it is intended to meet an emergency. World-wide depression, supplemented by a destructive retaliatory tariff war among the nations, which was provoked in large part by the unconscionable Smoot-Hawley Tariff Act of our own country, has practically destroyed world commerce. It was in the hope that our country, in cooperation with countries similarly situated, may be instrumental in reviving the currents of world trade and commerce and thus hasten the day of ultimate economic recovery that this amendment was adopted.

While the Federal Government has thus been exerting every energy at its command to reestablish the economic, agricultural, and industrial life of the Nation, I am not unmindful of the fact that the State administration and our city, county, and township governments have labored quite as earnestly and effectively to bring about above objectives. The Federal Government in most instances provided the general plan and the funds for rehabilitation but delegated to the States and their political subdivisions the control of the machinery through which such plans were to be executed and such funds disbursed. During the past year, to my personal knowledge, hundreds of demands have been made at Washington upon the State, county, and township governments in Indiana and in every instance whole-hearted cooperation has been accorded. In the absence of such sympathetic cooperation, the program of the Federal administration would have failed to function.

I hope that I have not fallen into the common error of exaggerating the accomplishments of this administration simply because it happens to be of my political faith. Since the inception of political parties in this country, unfortunately the party in power has been prone to overstate its accomplishments and arrogate to itself all credit for the combined and patriotic efforts of the people. Upon the other hand, the opposing party seems to have felt that it was its bounden duty to minimize the accomplishments of the party in power. I do not claim that the instant administration has been perfect.

I am not asserting that it has not made mistakes. Some of the efforts toward recovery have not functioned to the extent expected of them. Others are openly recognized as experimental, and in the event they prove ineffective they will be abandoned for other

and different lines of attack. This open-minded attitude of the administration is one of its most appealing features. It stands out in bold relief against the inertia and inactivity of the previous administration, which adhered to the policy that conditions would ultimately correct themselves and refused to adopt any decisive or effective relief program.

Facing a distracting situation which had driven the Republican Party into repudiation with bankrupt leadership and wrecked political philosophy, the Democratic Party came into power under promise of speedy and effective action. We believe that promise has been substantially kept.

Even the most casual comparison of general conditions today with those of 1 year ago must convince any fair-minded citizen that our party has kept the faith. Where we might be today in the absence of these stupendous efforts of the last 16 months, I am loath to say.

In closing, may we all join in praise and appreciation of the good citizenship of Indiana—irrespective of party affiliations—for its continued and patriotic support of the Government during these trying times. With such continued cooperation upon the part of the people, this depression can and will be whipped and the prosperity and happiness of the American people permanently restored.

WILLIAM AND MARY COLLEGE COMMENCEMENT—ADDRESS BY THE SECRETARY OF STATE

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD an address by Hon. Cordell Hull, Secretary of State, at the commencement exercises of William and Mary College, June 11, 1934.

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

It is a rare privilege to be present and participate in these exercises. I cannot sufficiently express my deep and lasting appreciation of the honor accorded me by those in charge of the affairs of this college, which, among American institutions of higher learning, is second in age to Harvard and first in historical distinction. An honorary degree from no other educational institution could be more highly prized than that I am today receiving, and of which, as I have heard, the first recipient was Thomas Jefferson.

Let me extend to the graduates of this year my warm congratulations upon the achievement which places them in the company of a long line of those who in every generation have added to the renown of William and Mary.

Of course, a diploma does not mean that education is completed. It rather means that education has just begun. It is evidence of the best possible equipment having been acquired to enable the individual to progress in his education and grapple more and more effectively with the problems of life. Thus the career of one as a student should not end with graduation. He should continue to be constantly a student. There is never a moment when the field of new knowledge does not beckon him, a field from which he cannot shrink without sacrificing opportunity and neglecting the duty he owes society.

George Washington, who became the chancellor of this college in 1788, was not a student in any school after he was 16 years old. In a letter written to his mother by Lord Fairfax it was said "his education might have been better", but the prediction was made that he "would go to school all his life and profit thereby." And so, throughout his life, he was in fact a diligent student, fitting himself for the successful performance of his work as the outstanding citizen, soldier, and statesman. But, let it be remembered, that he was anxious others should be afforded the specific educational advantages which he had been denied. As shown by some of his messages to Congress, and a provision in his will, he dreamed of a great national university. Furthermore, Washington and Lee University at Lexington traces its origin in no small measure to a generous donation he made to the academy from which it sprang. An interesting volume recently published describing his deep interest in education is rightly entitled "George Washington, Patron of Learning."

Unprofitable as dead fruit is learning not put to use. The true business of a conscientious student, whether young or old, is to employ the knowledge he obtains not simply for his own advancement but for the benefit of others. His noblest task is to employ it for the common good. This is the divine injunction: "Let him who would be the greatest among you be the servant of all." In preparing themselves to meet the most urgent need for leadership within generations, the youth of America could have no finer motto than "intelligence, integrity, and industry."

In associating yourselves with this college for the purpose of securing an educational beginning, you were fortunate in being linked to a background of unrivaled historic interest. We are in Virginia, and listen to some of the tributes paid Virginia of the early days. Mr. Gladstone, the English statesman, said that "Virginia produced more contemporary great men than any other piece of real etsate on earth, Greece and Rome not excepted." An authoritative New England historian has said: "Except in the golden age of Athens, I do not think any country of equal size has produced in an equally brief time as much ability as was produced by the Virginia planters during the period of the American Revolution", and another, a New England statesman, has said of Virginia: "The American youth who would learn the principles of liberty protected by law; who would learn how to frame constitutions and statutes; who would seek models of the character of the patriot, of the statesman, of the gentleman, of the soldier, may seek instruction from this State—may study her history as in a great university." This last utterance must impress you with the fact that students at William and Mary are, in a sense, attending two universities at the same time.

Among my predecessors in the office I now have the honor of holding, four were students here. Jefferson, the first Secretary of State, was a student when, in 1765, the resolutions condemning the stamp tax were passed, and standing in the lobby of the House of Burgesses he heard the debate and made a record of what transpired. He witnessed a bitter contest. He heard the eloquent speech of Patrick Henry, the author of the resolutions, who, to use Jefferson's words, "spoke as Homer wrote." He heard the powerful argument of the lawyer, George Johnston, in support of the resolutions.

Edmund Randolph, the second Secretary, was a student here. His qualities are indicated in the letter from President Washington to him, appointing him Attorney General in the first administration. "Impressed", he wrote Randolph, "with the due administration of justice as the firmest pillar of good government, I have considered the first arrangement of the duties of the Judicial Department as essential to the happiness of our country and the stability of its political system, hence the selection of the fittest characters to expound the laws and dispense justice has been an invariable object of my anxious concern." John Marshall and James Monroe, who became Secretaries of State, were likewise students here, and, while still in their teens, went from the college to suffer the hardships and perils of the War of the Revolution, in which they valiantly served. Marshall was in the thick of the early action at Great Bridge, near Norfolk, and fought in the Battle of Brandywine and other bloody contests, and Monroe was severely wounded while at the very front of the American attack at Trenton.

Within half a century after Washington filled the office of chancellor at William and Mary there were 16 Secretaries of State, of whom, besides the 4 just named, 2 others were from Virginia: James Madison, to whom this environment was very familiar, and Henry Clay, who was a native of the nearby county of Hanover.

Let me say without the remotest thought of comparing myself to the remarkable men I have named, but rather with a keen sense of humility, that I am carrying on the work of the office which six famous Virginians have held with the hope that I may find some inspiration in their example, and catch something of the spirit of devotion they brought to the service of our country.

No one can forget the historic preeminence of this portion of Virginia. Not far from here is Jamestown, where, earlier than anywhere else in the world, there was a legislative pronouncement against taxation without representation; and here we are in Williamsburg, the Virginia capital for a hundred years. It was the scene of political events which have affected not only the destiny of our own country, but it is not too much to say the course of modern civilization. It was the scene of the activities of mighty patriots who were unexcelled in any age "in the genius for framing constitutions and the great statutes, which, like constitutions, lie at the foundation of all government", who unshackled men from tyranny and gave them civil and religious liberty.

We can say of them, as cannot be said of some now, that their chief aim was not to acquire wealth or enjoy luxurious leisure, but to improve the condition of all by serving all. They were not ambitious materialists looking downward, but always looking forward, and unselfishly striving to better the conditions of their fellow man. The confidence of the public in Washington's extreme unselfishness sustained his leadership. And we may believe that similar confidence in his utter unselfishness enables his latest successor in the office of President, Mr. Roosevelt, to exercise effective leadership in this troubled time. In the catalog of memorable transactions that took place at Williamsburg was the adoption in 1776 of the first constitution ever written providing a complete system of government. It was a representative government under the control of and suited to the purpose of a democracy. Coupled with that constitution was an elaborate statement of fundamental principles called a "Declaration of Rights" which has become known everywhere as the "Virginia Bill of Rights." The contemplation was that whatever modifications might be found necessary in adjusting the new system to changing conditions, these principles, guaranteeing collective and individual civil and religious liberty, were to remain beyond violation or surrender. There were, of course, those who regarded what was done then as a dangerous experiment and likely to fail.

Several of the men who led the way in that Virginia adventure served as members of the Philadelphia Convention of 1787 and assisted in framing the Federal Constitution, for among the Virginia delegates were George Mason, Edmund Randolph, James Madison, George Wythe, and John Blair, who had figured in the Virginia convention of 1776, and with them was Washington, but for whose influence there would probably have been no agreement reached at Philadelphia, and no ratification by the States of the system there adopted. Again there was a representative democratic system established, and very soon amendments were added declaring fundamental principles. And again it is certain that not a few, and some of them undoubtedly able and patriotic, believed the Constitution, which was the result of numerous compromises, would prove inadequate, and the Government about to be launched have a very brief existence.

The statesmen who labored with such conspicuous wisdom and almost miraculous success at Philadelphia could not help knowing as they turned away from the monarchical form of govern-

ment to which they had been accustomed, the difficulties that would be encountered in maintaining a republican form of government, which, as Herbert Spencer said much later, "requires the highest type of human nature." They could only trust that the solemn admonition of the Virginia Bill of Rights would be observed:

"That no free government or the blessings of liberty can be preserved but by a firm adherence to justice, moderation, industry, and virtue, and by frequent recurrence to fundamental principles." They put their faith in a democracy possessing those qualities, with the necessary implication that it must be a democracy trained by education and otherwise for doing its part and insuring the new fabric of government from being destroyed or impaired. Having that faith, if they were still living, they would be compelled to confess their disappointment that frequently the people are so indifferent to their true interests as to permit the power inherent in a democracy to be exercised by minorities eager and anxious to promote their own selfish interests, and reckless of the means by which they accomplish their ends. They would perceive that while we have with us the forgotten man, who is now receiving more consideration than for a long time, there is also the man who forgets—the man who is delinquent in performing his duties as a citizen, and thereby opens the door to overzealous and often venal self-seekers. They would warn not that the successful maintenance of popular government is imperiled by the dishonesty of the people, for the people are ordinarily honest, but is imperiled by the inexcusable ignorance and sloth of large numbers who ignore their political capacity and obligation to prevent many of the evils that now threaten.

In the time to which I have been referring, educational facilities were extremely limited. Many of your political progenitors were convinced that this created a situation of serious unsafety, and none of them entertained this conviction more thoroughly than Jefferson, and you know his splendid record as an advocate of universal popular education. Were he here now and pointed to the fact that in this country there are 1,460 universities and colleges, with an attendance of 1,154,000 students, that are annually conferring degrees upon 170,000 students, while there are 24,000 high schools, with an attendance of 5,140,000 students, annually graduating 690,000 students, to say nothing of the almost innumerable elementary schools, he would view that condition as perhaps beyond the realization of his most sanguine expectations, but he would probably confess his amazement that there is not a more steady and practical display of the knowledge of the structure and processes of the Government, and the absence of an intense and effective desire to guard against distortion or defeat of the aims and purposes for which government is designed.

Those who enjoy educational opportunities formerly not within the reach of any except a fortunate few, but now within the reach of all, and commonly furnished in whole or in part at public expense, should feel a peculiar sense of personal responsibility for the protection of our governmental institutions. Should they be careless in guarding the heritage handed down to them, which was born of the agony and bloody sweat of the past, they will, to use a line from Othello, be "Like the base Indian, who threw a pearl away, richer than all his tribe." They will themselves suffer from any failure of which they are guilty, and since they are in large measure the trustees of posterity, they will force suffering on those who are to come after them.

May I not suggest that, since a republic, as a noted writer has remarked, must constantly renew its youth, it is for you and others throughout the land who have received such training as has been your good fortune, to give to those who at any moment are charged with the responsibility of conducting government, the benefit of your best thought and cooperation, for the old have much to learn from the young?

I have said that the feeling was not unanimous as to the possible endurance of the system of government set up for Virginia in 1776, and for the United States in 1787–88. The chief actors, however, were warranted in believing that they had improved on any other system of which there was a record.

The fate of the Constitution framed in Philadelphia could not, of course, be predetermined on the basis of conditions then existing. The communities comprising the new Union were but a small segment of the vast region that awaited development, and it could not be anticipated that vaster regions would be added. The population of the 13 States stretching along the Atlantic was sparse and mainly engaged in agriculture. There were no cities, no large towns, little domestic or foreign commerce, and little wealth. It was impossible to forecast what the course of evolution would be, and what problems would arise, as a consequence. Had the framers attempted such a forecast and written an elaborate instrument, meant to take care of possible future happenings and therefore not sufficiently flexible, it may be assumed that the experiment would have met failure. The instrument was wisely limited to what were conceived to be essentials. The member of the Philadelphia Convention who prepared the final draft, when asked how he thought the Constitution would work, replied, "That depends on how it is construed."

Almost at once inescapable developments called for construction, and this produced controversies at every step of the Republic's existence, and further controversies cannot be avoided. Fortunately there was provided a tribunal which has been able, except in a single case, to quiet such controversies and prevent serious strife, and may be relied upon to dispose of all similar controversies that come along hereafter.

It is clear that the attitude of the early statesmen was rigid only with respect to fundamental principles—principles expressed in the Declaration of Independence and the Virginia Bill of Rights, which, in the main, have been incorporated in the Federal Constitution and in all the State constitutions. Aside from that, they constantly approved policies that could not be thought of at the outset, but were required by new and changing conditions. What is called Jeffersonianism does not import static opinion and stubborn blindness to exigencies which occur. When I hear discussions of Jeffersonian democracy, I think of Mr. Jefferson as being in France during the Philadelphia Convention and as most concerned, according to his correspondence, with a declaration of fundamental principles being embodied in the Constitution, and that was soon done. I think of him as determined that those principles should never be obliterated. But I cannot think that were he now on the scene, he would contend that industrialism should be subordinated to agriculture, or agriculture to industrialism, and I am certain he would be in the vanguard of those who are convinced that the Government should exert its power to prevent the principles he cherished from being stricken down by selfish and predatory individuals and groups.

Jefferson often took a conspicuously liberal and practical, and not at all narrow, view of our organic law, as for instance when without authority from Congress he purchased the Louisiana Territory. Why would not Mr. Jefferson, if he were President today, resolutely deal with realities, as in the instance of the Louisiana Purchase, by vigorously pursuing a program of emergency relief basically like that now in operation? When did Jefferson ever question the right or the duty of the Federal Government to invoke any and every emergency remedy designed to cure extreme emergency conditions?

It is not possible to catalog all of the governmental problems that deserve your attention and your assistance as citizens.

This is no time to detail the various domestic policies, some of them confessedly experimental, that have no other purpose than to recover the prosperity and happiness that have suddenly faded away. Should there be inclination to criticize some of their features, it seems to me that the thoughtful student should bear in mind that the program is sponsored by two of the great departments, the legislative and executive, and that it has not been disapproved by the judicial department. And he should recognize that, broadly speaking, it represents championship of human liberty, human rights, and humanity itself. Any of you are, of course, free to find fault, but do not make the mistake of so magnifying supposed defects as to lose sight of the great general design. That would be the old case of failing to see the forest for the trees.

There are problems of vital importance to this and all other nations and to civilization itself which demand closer consideration by each citizen. The founders of our institutions, knowing the horrors of almost constant war in the Old World, were resolved, to the extent that might be possible, to save the New World from the most terrible scourge to which mankind is subjected. Washington led the Revolution in order that men should be free, but he led in the effort to weld into a more perfect union the States that then existed and those to be created, in order to insure harmony instead of discord, and thus eliminate the causes of war. It is easy to imagine what would be the almost certain condition in this portion of the western world had that effort not been successful. It is also easy to imagine how far less peaceful this hemisphere would be, if, under the leadership of Monroe, who was one of Washington's soldiers and one of his successors in the Presidency, there had been no agreement, which is to remain effective for all time, to close the Great Lakes, the boundary between the United States and Canada, to warlike activities, and no emphatic proclamation through Monroe looking to our necessary self-defense.

At this moment, while on this side of the ocean there is a relatively peaceful condition, and neighborly and friendly ties among the nations are stronger and more genuine than ever before, we are obliged to feel deep concern that across the water, notwithstanding the terrible havoc and wreckage wrought by the war that began 20 years ago, and notwithstanding that the inventions of science will make future wars more terrible, there is so much reason for the gravest apprehension. Regardless of the fact that preparation for war but too often makes war inevitable, and the fact that preparation places a grievous burden on the people, armaments are being momentarily increased, and in practice the theory seems to be abandoned that nations, like individuals, should live not as potential enemies but as neighbors and friends. Our Government has a duty to perform and it is performing it. Supported by an overwhelming public sentiment, the Government, within the limitations necessary to be observed, is striving to the utmost to make its full contribution to the maintenance of peace and civilization. Without any question of its earnestness and fidelity, it is pursuing every method within its province to discourage and minimize armed conflict.

I wish to refer briefly to another problem belonging to the class I have just indicated, having both foreign and domestic aspects. In recent years a dangerous conception has become too prevalent, a strange economic conception that a nation can live to itself and virtually dispense with customary international relations. It is significant that none of the statesmen who made history in the period before and during the Revolution, and during a long later period were connected with the Federal Government, had any thought that this country could or should lead a

self-contained existence. All of the evidence is directly to the contrary. They were devoted to their own land, but even though communication was slow with other lands, they completely realized that it was not possible for this country to develop without commercial, social, and cultural relations with Europe. They of course barred the possibility of political relationship. It is for the purpose of returning to the older conception which they held that it has just been decided by Congress that the Executive shall have authority to negotiate trade agreements with other nations, it being expected that by this method there can be effected a substantial expansion of international commercial dealings, and markets opened that in recent years have been to a large extent fenced about by insurmountable barriers.

I can have no argument with any who may be actuated by mere partisanship in opposing that policy. But I would invite such opponents as are not thus controlled to tell me, if they are now fearful of the possibilities of the limited and temporary regimentation of business, what relief they expect to find in any other direction; and should they be unable to give a specific reply I would suggest to them that their opposition might prove disastrous, should the continuance of such international relations as now impede commerce force further regimentation.

I shall not detain you by prolonging observations which might but could not on an occasion of this character properly be elaborated; but I must not close without a reference to the spirit which should animate every citizen as we pass through an ordeal of extreme and unprecedented difficulty. A feeling of fear or despair would be dangerous and perhaps fatal. Those of the earlier days to whom I have alluded tolerated no such feeling, but in the bitterest hours displayed the utmost faith, courage, and patience, and had they not been supremely hopeful they could not have been either courageous, faithful, or patient.

To emphasize this, let me quote the striking language of James Bryce—the final words of his great work on Modern Democracies: "Hope often disappointed but always renewed is the anchor by which the ship which carries democracy, and its fortunes will have to ride out the latest storm, as it has ridden out many storms * * * democracy will never perish until after hope has expired."

Not dismayed by the enormous difficulties now being encountered, or by the overturn of some of the democracies that were in existence when war swept the world, it is for us to face the future with unabated hope that our democratic system as created by the fathers shall lose none of its strength and vigor in this time or in the years to come.

HOWARD COLLEGE (ALABAMA) COMMENCEMENT EXERCISES—ADDRESS BY HUGH G. GRANT

Mr. BLACK. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. Hugh G. Grant at the commencement exercises of Howard College, Birmingham, Ala., on Tuesday, May 29, 1934.

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

President Neal, members of the faculty and board of trustees, members of the 1934 graduating class of Howard College, ladies, and gentlemen, it is a genuine pleasure for me to return to Howard College. It is gratifying to see in the audience many familiar faces, friends of my youth, and here on this platform three instructors, Dean Burns, Professor Eagles, and Professor Hendrix, to whom I shall ever be indebted. I am happy to greet here officially for the first time that splendid Christian leader, President Neal. I have had the pleasure of seeing something of Dr. Neal in Washington on those occasions when he visited the Capitol in the interest of Howard College and education. I have been greatly impressed with his earnestness and sincerity of purpose and with his charming personality. I am confident that under his leadership, supported by this splendid faculty and loyal board of trustees, Howard College will continue to exercise its fine influence in the cause of Christian education in Alabama and in the South.

I am amazed at the growth of the student body. While I do not subscribe to the theory that bigness and numbers are essential to the progress of an institution, certainly the remarkable numerical development in the student body of Howard College is indicative of the fact that despite the increased appropriations for State-controlled institutions during the last decades and the popularization of so-called "public education", college training under a denominational program is still an important factor in our educational set-up, and bids fair to remain so. Those sturdy pioneers in education who established Howard College at Marion in 1842 built on strong foundations. Their successors have kept the structure intact, often in the face of the greatest financial difficulties. We owe to them a debt of gratitude. It is our obligation to carry on where they left off. Let me urge you of the graduating class to keep faith with them.

Since Dr. Neal wrote me that I could choose my own topic, you may hold him to account if you do not like the subject of this address. I am going to talk to you about politics. There was a time, and it has not been so long, when the announcement of such a subject by a commencement speaker would have created consternation.

"Politics" was a term of opprobrium, politicians were outside the academic pale. Even Thomas Jefferson declared that women, to avoid depravation of morals, should refrain from mixing promiscuously in the political meetings of men. John Stuart Mill paid his respects to the politicians of the early nineteenth century when he said, "Men do not need political rights in order that they should be governed, but in order that they may not be misgoverned." Shakespeare puts these words into the mouth of Hamlet as he looked at one of the skulls unearthed by the gravedigger, "It might be the pate of a politician which this ass overreached."

But times have changed. When conservative State superintendents of education and scholarly university presidents travel from the four corners of this continent to confer with politicians in Washington concerning Federal aid for education; when ministers of the gospel and devout laymen write their political representatives in Congress pleading for Federal funds for the rehabilitation of financially bankrupt churches, even the most caustic critics of politics and politicians will admit that there is a new order of things. What would Jefferson say could he behold women mingling with their male colleagues in the Halls of Congress? Never before in the history of this Nation or any other has so much attention been given to politics and politicians.

Never was such homage paid to the men and women who hold public office. It is estimated that the 531 Senators and Congressmen since the inauguration of President Roosevelt on March 4 of last year have received more than 50,000,000 letters from citizens of the United States. The volume of mail has been so enormous that the present Congress has been termed the "mail-order Congress." Under an avalanche of letters the White House offices have overflowed across the street into the State, War, and Navy Building.

This manifestation of interest in politics and government is a phenomenon without precedent in our national life. Heretofore the business of politics was left largely to the office seekers, the officeholders, and to the intelligentsia who indulged in a sort of intellectual pastime of analyzing the conflicting theories of Hamilton and Jefferson and the Federal Constitution. We have in our public libraries a vast literature on political and governmental subjects, the most of it national, practically none of it State or local; but I imagine it would injure our national pride if we knew how few of our 40,000,000 voting citizens have read any portion of this literature. It cannot be denied that the rank and file of our citizenship is innocent of any serious study of politics. Mild doses of elementary civics administered in high schools, often by charming young women instructors who perhaps have never even voted, has constituted almost the sole formal instruction in government for the majority of the educated people of this country.

In order to sell their wares, and in conformity with traditional style, historians have sprinkled the pages of the school texts with dramatic tales of wars and rumors of wars, largely to the exclusion of the more prosaic and less dramatic stories of tax battles, tariff fights, and county-courthouse manipulations. Consequently, there is a vast misunderstanding about government and its functions. For instance, the system of checks and balances, which places certain power exclusively in the hands of the legislature and other power in the hands of the Executive, is little understood by the American people. This fact is borne out in the thousands of letters received in Washington by Senators and Congressmen who are called upon to perform services which are outside their jurisdiction and which rest solely with the executive and administrative agencies of the Government.

I have no indictment to make. I cast no aspersion. Our lack of knowledge of politics and government is a natural inheritance from the past. Government in the beginning of this Nation was a very simple thing. The Mayflower Compact, drawn up by the Pilgrim Fathers on the eve of their landing at Plymouth, was not, as many have supposed, a great charter of democracy. It was simply a gentlemen's agreement binding the signers to abide by the expressed common will in order to avoid possible danger of anarchy.

The early settlers, fleeing from an oppressive government, determined to have just enough government to conserve life, liberty, and property. Setting up homes in a wilderness filled with hostile savages left little time for politics. The forms of government were, therefore, crude and largely for defense.

The colonial governments were superimposed by the Crown in England. The political strings were pulled, not in the Colonies but in the political puppet shows in London.

The little politics indulged in in those early days and for some time after the Revolution was monopolized by the small educated class. Contrary to popular opinion of today, there was no real democracy. Government was in the hands of the few; politics was a sort of science indulged in by a minority of intellectuals. It is a historical fact revealed in recent years that from two-thirds to three-fourths of the electorate failed to vote one way or the other on the adoption of the Federal Constitution. A minority party by virtue of the wealth, talent, and solidarity of its membership carried through the ratification of the Constitution in the face of powerful but latent opposition representing very probably the majority of the country.

Strange as it may seem, Thomas Jefferson, the first great friend of the masses in America, who sought to popularize government through the writing of some 40,000 letters in longhand, perhaps unconsciously made a larger contribution to the apathetic interest in politics than any other leader of his time by reason of his philosophy of "the least government the better." Jefferson's laissez faire theory was not calculated to bestir his fellow Democrats to learn the ins and outs of politics. On the contrary, they were admonished to tolerate as little government as possible. This spirit was carried on through the succeeding decades. The pioneers who conquered the great West were their own governors. The strong arm was the law.

If an artist should paint a great canvas depicting the progress of America he would, if he were intellectually honest, of necessity place blots here and there. There would be ugly scars marring the otherwise beautiful landscape. The wanton waste of our virgin forests; the building of great monopolies and enormous fortunes at the expense of society; the grinding of labor in the great sweatshops of the Nation—to mention only a few. Is it strange that these things should occur under our laissez faire system of government? I think not. The American democracy was not on guard. The masses, unfortunately, were not much concerned about their Government, and the result was that greedy interests too often were in full control. Theodore Roosevelt and Woodrow Wilson sensed the fact that the American public was at heart opposed to these abuses if only it could be aroused. That was the problem.

But March 4, 1933, the date of the inauguration of Franklin Delano Roosevelt, marked the end of laissez faire and the beginning of a new epoch in the United States. America had come of age. Aroused as never before in the history of this country as a result of a blighting depression which left 30,000,000 persons in want in the midst of plenty, the American electorate in November 1932 issued a solemn mandate to its leadership to effect vital changes in the existing American economic and social system. There was no revolution. Our political institutions and machinery remained the same. But there was evolution in method. America had revolted against the ancient domination of government by selfish interests.

Never to be forgotten was that inauguration day of March 4. The new administration was coming into power at the most critical moment of a great financial crisis. The banks of the country were closing, the medium of exchange was paralyzed, and 120,000,000 people were in panic.

And then at noonday out in front of the great Capitol dome there appeared the new leader—smiling, with an air of confidence and with words of encouragement, which, through the marvelous radio, reached into millions of American homes. The effect was electrical. A Nation in the midst of chaos took heart again. You are familiar with the measures proposed to meet the emergency. Within 2 weeks after the inauguration a majority of the banks had been reopened, hoarded gold had passed back into the central banking system, and the frantic effort to convert credit into cash had subsided. The mood of the Nation had changed.

And then there was sounded what many believe to be the death knell to the old order in America. The new-deal program was under way. Followed the establishment of the Agricultural Adjustment Act, to increase farm purchasing power; the Securities Act, establishing Federal supervision over sale of investment securities; the Farm Mortgage Act; the Home Owners' Loan Act; the Tennessee Valley Authority, to rehabilitate a great section of the South; and the Banking Act. Within the short space of 3 months, legislation which profoundly altered the status of banking and agriculture in America had been enacted by the votes of Representatives of the two great parties.

The Nation had gone off the gold standard. The National Industrial Recovery Act, the germ of which was the 30-hour week bill sponsored by the senior Senator from Alabama, Mr. BLACK, and passed by the Senate, followed in June. Incorporated in this bill was the huge Federal appropriation for public works throughout the Nation. The Civil Works' program was inaugurated to take up some of the slack in unemployment.

The keynote of many of these measures was outright reform. Each proposal sought to correct a disparity, to safeguard a public interest, or to lighten an individual burden. Each measure also involved the wide extension of Federal control and supervision over the affairs of the American people. Each measure constituted encroachments upon the domain of State and local governments. Rights hitherto jealously guarded by these political units were surrendered voluntarily and with enthusiasm to the Federal Government. The eyes of the American people were turned toward Washington. After 140 years the political philosophy expounded by Jefferson, "the least government the better", was supplanted by the theory that the national welfare is dependent upon the exercise of more control by the central government.

National planning such as is contemplated in the Roosevelt program calls for the widest possible governmental powers, touching the lives of 120,000,000 people of this Nation, and a Congress, registering the will of the people, has accordingly delegated to the Chief Executive authority even greater than that granted to President Wilson in 1917 to wage war. President Roosevelt only a few days ago gave a definition of this new philosophy of government in a message regarding the cotton-production legislation sponsored by Alabama's junior Senator, Mr. BANKHEAD. The President declared that "since the cotton States had found it impossible to act independently or in unison to prevent the recurring accumulation of cotton surpluses with resulting depression of prices, they had asked for the use of Federal power", and the President added, "A Democratic Government has consented."

The President, as someone has said, by courageously leading, has shaken the electorate out of traditional habits of thought. Laissez faire is dead. The people are aroused by the new conception of government which contemplates the welfare of all the people rather than the favored few. They are following intelligent leadership. The President's phrase "A democratic government has consented", to which I referred a moment ago, is the keynote of the new order. A democracy consenting implies an electorate thinking; otherwise there is dictatorship, the substitution of authoritarian for the libertarian state. The former is abhorrent to our American ideals and traditions. In order to avoid dictatorship and at the same time accomplish those objectives which appear to be essential to America grown up, the active cooperation of the American public is absolutely necessary. Leadership is only half of it. John Stuart Mill, 80 years ago, in his famous essay on Representative Government, said: "Political machinery will not act itself. As it is first made, so it has to be worked by men, and even by ordinary men. It needs not their acquiescence but their active participation." That, in my judgment, is the philosophy of the new deal.

And that, my young friends of the graduating class of Howard College, brings me to the main thought I should like to leave with you as you prepare to take your places on the morrow in the ranks of America's citizenship—a citizenship which is confronted with both national and international problems of the gravest and most complex character. At home thousands of our cities and counties are bankrupt, many of our schools and colleges are closed or in chaos as result of short financial rations. Our industrial system upon which we must, in the last analysis, depend for employment of our people is still in the doldrums although marked progress has been made during recent months; there is still much poverty in a land of plenty. Abroad there are dark clouds on the horizon. The peace of the world is again threatened. As the Honorable Cordell Hull, of our sister State, Tennessee, Secretary of State, declared recently in an address in Washington: "Nations everywhere are steadily narrowing their vision, their policies, and their programs. Each is undertaking more and more to visualize only itself, to live by itself, and to arm, conceivably to defend itself against any and all aggressors. The entire political, economic, social, and moral affairs of most parts of the world are unquestionably in a more or less chaotic condition."

Here is a challenge to the youth of this Nation and of the world. What can you as an individual do about it? Whether in the ranks as a private or out there in the front of the parade, as some of you will be, you have a solemn duty to perform for your Government, local, State, and national. You are obligated to participate actively in politics, if you please.

And how shall you do this? May I make some suggestions? By seeking political office? No; not necessarily. That is only one phase of the question. By voting? Yes; and I should like to add and emphasize, by voting intelligently. Join a political party and participate in its primary. Study the character and the qualifications of the men and women who offer themselves for public office. Determine their sincerity and honesty of purpose. Find out about their alliances. Are they mere office seekers, desirous of getting on the pay roll, or are they interested in the welfare of the society which they propose to represent? Learn something of their political philosophy.

After the election regard those chosen by the will of the majority as real representatives of the people and not "yes men." Don't be afraid of a new idea. Changing economic and social conditions require new political methods. Keep an open mind on political questions. Allow the men and women who represent you the same privilege. Give to them the benefit of your judgment if you believe you have an intelligent opinion upon a public question, but don't attempt to coerce. Remember that these public servants were placed in office presumably because of their intelligence and special qualifications, and that they act not only for you but also for your fellow citizens and their several groups with their varying interests which are often in conflict. Your representative has a mind. Let him exercise it. He is no representative if he fails to do so. His judgment should be better than yours if he is intelligent, honest, and sincere, for he occupies a strategic position where, if given the opportunity, he can study all phases of the particular problem. Help provide this opportunity for him.

In my judgment one of the greatest menaces to our representative system of government is the growing tendency of legislators, State and national, to dissipate their energies in matters wholly unrelated to legislation, and in the interest of the few rather than the many. The constituency is partially responsible for this situation. The demands upon legislators are often so overwhelming that little time is left for intelligent legislation. The system is contributory to the powerful influence exerted by lobbies representing selfish minority interests.

You young men and young women of the graduating class have completed a 4-year course of training in which high ideals of conduct on the part of the individual in his relationship with other individuals and with society as a whole have been emphasized. That is one of the fine things about those institutions where the Christian atmosphere prevails as it does at Howard College. If these ideals are discarded by you, society becomes the loser.

Never before in all history has there been greater need of the practice of high ideals in local, State, national, and international life than today. Never before have individual citizens and nations been so mutually dependent the one upon the other. The old frontier is gone. Rugged individualism can no longer chart its course alone. There must be companionship. Complete isolation for the individual and for the nation is a thing of the past. The highly complex problems of modern civilization must be solved by the intelligent cooperation of the individual members of society and of nations, based upon principles of amity, honesty, and common sense.

The practical application of high ideals by individuals in their relationship to their government and by nations in their dealings with foreign nations is needed. These ideals must be linked with the political machinery through which governments function.

And in conclusion allow me to repeat the declaration of John Stuart Mill: "Political machinery needs not the acquiescence but the active participation of men" (and, may I add, women). The Nation and the world today are dependent as never before upon political machinery. Let each one of us solemnly resolve to make a contribution toward having this political machinery operate honestly, effectively, and in the interest of humanity.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 5 minutes p.m.) the Senate, in pursuance of the order previously entered and in executive session, took a recess until tomorrow, Thursday, June 14, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate June 13 (legislative day of June 6), 1934

UNITED STATES ATTORNEY

Edwin G. Moon, of Iowa, to be United States attorney, southern district of Iowa, to succeed Robert W. Colflesh, resigned.

UNITED STATES MARSHAL

Charles H. Cox, of Georgia, to be United States marshal, northern district of Georgia, to succeed Louis H. Crawford, whose term will expire June 24, 1934.

MEMBER OF THE UNITED STATES TARIFF COMMISSION

Oscar B. Ryder, of Virginia, to be a member of the United States Tariff Commission for the term expiring June 16, 1939, vice Ira M. Ornburn, term expired.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 13 (legislative day of June 6), 1934

POSTMASTERS

CALIFORNIA

Anthony J. Foster, Hayward.
Robert B. Montgomery, Sequoia National Park.

INDIANA

Russell Armstrong, Hazleton.
Adolph Hannie, Monroe.
Dean I. Lauver, New Carlisle.
Simon C. Hilsmier, Ossian.
John D. Stoner, Valparaiso.

KANSAS

Jesse T. Poland, Barnes.
John J. Menard, Clyde.
Harry F. Geistfeld, Washington.

MAINE

Willis H. Allen, Columbia Falls.
Lillian C. Erickson, Stockholm.
George H. Foster, Unity.

MINNESOTA

Thomas Hughes, Bemidji.
Joseph C. McGowan, Benson.
Paul F. Preice, Calumet.
Antoinette D. Hall, Campbell.
Howard H. Gunz, Center City.
John M. Augustin, Comfrey.
William J. Conner, Dunnell.
Aloysius I. Donahue, Elk River.
John Kasper, Faribault.
Edward C. Feely, Farmington.
Gladys M. Freeman, Franklin.
James M. Brennan, Hinckley.
Flora P. Lowry, Hollandale.
Elmer L. Berg, Kennedy.
Carl S. Nygren, Lake City.
George A. Boyd, Le Roy.
Joseph Smuk, Jr., Marble.
James H. Pelham, Menahga.
Joseph W. Kreuzer, New Richland.
Nicholas D. Schons, Nicollet.
Oliver W. Alvin, North Branch.
Rosyne M. Gosch, Randall.
August M. Utecht, Richmond.
George Glotzbach, Sleepy Eye.
Hjalmer A. Johnson, Soudan.
Arnold R. Krogh, Spring Grove.
Andrew T. Sanvik, Starbuck.
Paul J. Arndt, Stillwater.
Carl H. Ruhberg, Storden.
Elizabeth C. Bahr, Waconia.
Margaret J. McGarry, Walker.
Ernest F. Schroeder, Wells.
Einar C. Wellin, Willmar.

MISSOURI

George J. Goeltz, Bismarck.
Charles M. Murray, Cameron.
Sam B. Shackleford, Ewing.
Alfred M. Pondrom, Florissant.
Birdie W. Brown, Forest City.
Fannie McClintock, Gower.
Lamonte R. Saxbury, Queen City.
Lonnie A. B. Leslie, Russellville.
Vernon V. Goslee, Skidmore.

NEW HAMPSHIRE

Charles S. Stone, Andover.
Irving H. Brown, Campton.
David V. Cahalane, Charlestown.
John E. Bean, Contoocook.

NORTH CAROLINA

Paul R. Younts, Charlotte.
Clarence H. Rosebro, Cleveland.
Robert T. Teague, Newland.
William H. Shannon, Spencer.
Louella Swindell, Swanquarter.

OKLAHOMA

Lee Kennedy, Broken Bow.
Etta E. McMillan, Freedom.
George G. Smith, Garber.
Lawson Race, Hunter.
Lauren I. Harris, Keyes.
Sylvia M. Grace, Laverne.
Anice Sullins, Redrock.
Maud L. Vaughan, Supply.
Fanny A. Rhoades, Wakita.

VERMONT

Frank J. Donahue, Middlebury.
John J. Cain, Orwell.

VIRGINIA

Rufus G. Roberts, Culpeper.
Reginald B. Turner, East Falls Church.
Lewis M. Coyner, Fairfax.
J. Will Stockley, Keller.
Marcellus B. Garnett, Mathews.
David E. Bumpass, Jr., Mineral.
Margaret E. Downing, Painter.
Pauline H. Duncan, Riverton.
George T. Collins, Rosslyn.
Fannie B. B. Sale, Tappahannock.
Lawrence Hottle, Toms Brook.

VIRGIN ISLANDS

Alvaro de Lugo, St. Thomas.

WASHINGTON

W. Kenneth Kingman, Chelan.
Albert Buerstatte, Jr., College Place.
Ralph V. Browder, Oakesdale.
Walter C. Ketterman, Opportunity.
James F. Tostevin, Retsil.
Louie H. Saur, Selah.
Arthur H. Gerl, Wilbur.

WEST VIRGINIA

Irvin J. Richardson, Bartley.
Mrs. Maurice R. Walker, Bramwell.
John C. Blanton, Freeman.
Mayme E. Marquette, Harpers Ferry.
John M. Snarr, Romney.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 13, 1934

The House met at 12 o'clock noon.

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

Who shall ascend into the hill of the Lord? And who shall stand in His holy place? He that hath clean hands, and a pure heart.

Our Father, may we all rejoice in Thy wisdom. Thou hast said, "My words shall not pass away." O God, may we heed them. They have come down through the ages, through the world's tears, through the world's laughter, through the world's conquests; and let the earth now say, "His words cannot pass away." The sky, the land, the mountain, and the sea shall pass away, but not, but not the word of the Lord. O my heart, O your hearts, let us love His words, so that we will have something to keep forever. Through Jesus Christ our Lord. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 7982. An act to establish a national military park at the battlefield of Monocacy, Md.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 6462. An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes; and

H.R. 9410. An act providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 852. An act to amend section 24 of the Trading with the Enemy Act, as amended;

S. 3645. An act to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes;

S. 3675. An act to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes";

S. 3723. An act to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases; and

S.Con.Res. 20. Concurrent resolution authorizing the printing of additional copies of the hearings held before the Committee on Foreign Relations of the Senate on the resolution (S.Res. 278), "St. Lawrence Waterway", Seventy-second Congress, second session.

MESSAGES FROM THE PRESIDENT

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

On June 8, 1934:

H.R. 7168. An act for making compensation to the estate of Nellie Lamson.

On June 11, 1934:

H.R. 3985. An act for the relief of Charles T. Moll;

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. 9180. An act relating to the incorporation of Columbus University of Washington, D.C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia; and

H.R. 9280. An act relating to deposits in the United States of public moneys of the government of the Philippine Islands.

On June 12, 1934:

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. 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. 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. 8687. An act to amend the Tariff Act of 1930;

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. 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. 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.; and

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.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, may I say preliminary to a unanimous-consent request I am going to submit that I think there is a fair chance for Congress to adjourn Saturday. [Applause.] Understand, I said a fair chance.

Mr. SNELL. I notice that is all the gentleman said.

Mr. BYRNS. I do not say we positively will. But it is certain we will not be able to adjourn Saturday unless we get through with this housing bill as early as possible this afternoon so as to take up some other matters. I hope, therefore, that the committee will speed this bill up as quickly as possible; of course, with due regard to the rights and privileges of the Members.

Now, if we do adjourn Saturday, or if we adjourn, as I verily believe, within a week from now, then it is perfectly apparent that we can pass House bills over here and it will be a mere waste of time unless the matter is so emergent as to appeal to the Senate to take up such House bills and pass them. The Senate today, I am informed, is considering the calendar, and there are 39 or 40 House bills which will be considered today and either passed or rejected. Now, I want to submit this unanimous-consent request, which is similar to one I submitted last Saturday.

Mr. Speaker, I ask unanimous consent that it shall be in order tomorrow to consider in the House as in Committee of the Whole unobjected to Senate bills on the Private Calendar and Senate bills on the Speaker's table, where similar House bills have been favorably reported and are now on the Private Calendar, the call to commence with no. 629 on the Private Calendar.

Mr. CHRISTIANSON. Mr. Speaker, reserving the right to object, what about Senate bills on the Speaker's desk that are not on the Private Calendar where identical bills have been favorably reported by the committee?

Mr. BYRNS. My request includes those Senate bills where a similar House bill has been reported and is now on the Private Calendar.

Mr. MOTT. Mr. Speaker, reserving the right to object, may I ask the majority leader if there will be another opportunity to consider the Consent Calendar?

Mr. BYRNS. It will be considered if possible, but I may say to the gentleman from Oregon that in view of the possible early adjournment of Congress that we ought to dispose of these Senate bills which have a chance to become law.

Mr. MOTT. I think so, too.

Mr. BYRNS. Then, after that, if we have time, we can take up the Consent Calendar or anything else the House wishes to take up.

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

There was no objection.

Mr. SNELL. Mr. Speaker, may I ask the majority leader a question before he takes his seat? Is the majority leader in a position at the present time, or does the gentleman care to tell us, what pieces of legislation are essential to be considered before we can adjourn?

Mr. BYRNS. We are going to pass this housing bill, I think, this afternoon. I understand that it is very essential to pass some bill of this kind before adjournment.

Of course, the deficiency appropriation bill is pending in the Senate committee. I have been informed that possibly it will be reported to the Senate today.

The gentleman from Georgia reminds me that there is an amendment to the Railway Act, but I was speaking of bills to which the gentleman referred.

Mr. SNELL. Those are the pieces of legislation which are actually essential to be passed before adjournment?

Mr. BYRNS. Yes. There may be certain legislation relating to controversies between employers and employees that may be considered, and probably will be. That bill, however, has not been introduced, and I do not know just what form it will take.

Mr. SNELL. But it is not absolutely essential to pass several of the bills for which rules have been reported?

Mr. BYRNS. That is true of some of them. I do not know about all of them. And, then, I may say to the gentleman that if the oil bill is reported out of the Committee on Interstate and Foreign Commerce it is expected that it will be taken up in the House.

Mr. SNELL. That is one bill which I, individually, think should be passed.

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

Mr. BYRNS. I yield.

Mr. BANKHEAD. Of course, I understand exactly the statement made by the gentleman.

In the event, of course, there should be some preliminary delay, it is the expectation of the majority leader to give an opportunity to take up and consider bills in the order of their importance?

Mr. BYRNS. Yes. My earnest desire for the passage of this House bill this afternoon is to allow it to go to the Senate, permitting the Senate to pass the bill, and then throw it into conference and getting it out of conference at the earliest possible moment.

CONGRESS MUST TAKE MAILING PERMIT FROM DISREPUTABLE LITTLE PUBLICATIONS RACKETEERING THE PUBLIC

Mr. BLANTON. Will the gentleman from Tennesse yield to me to make a statement?

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

Mr. BLANTON. Mr. Speaker, when a publication secures from this Government a second-class permit to distribute its columns through the United States mails, it obtains a grant most valuable, and it should not abuse it.

There is a dirty, little, disreputable sheet calling itself "The Censor", giving its address at suite 1273, Arcade Building, St. Louis, Mo., but because of its absolute irresponsibility it has not the intestinal fortitude to advise the public the name of its editor, or the name of its publisher, or the name of any individual connected with it, and it does not dare to give the name of the author of any article that appears in it. All it discloses is that it is published by the Censor Co.

On its front cover it has the audacity to tell the few people who ever see it: "Where and what to buy—Censor's advertisements will tell you", and in its issue of June 7, 1934, it was able to carry only 14 advertisements, besides 10 little beauty-shop cards. Its principal advertisement is that of Anheuser-Busch playing up Budweiser. It is surprising that any respectable business concern would ever pay out one cent to advertise in such an ignorant, irresponsible, disreputable little excuse for a magazine as the Censor. Having no standing whatever, an ad appearing in its columns reflects discredit upon the advertiser. And just as other advertisers quit it, the remaining 14 will not throw away their money much longer.

There are 491 press correspondents have seats in the press gallery of the Senate and House of Representatives. Instead of having one of these men with opportunity to know the facts send it reliable information about Senators and Congressmen, this muck-raking little sheet, the Censor, got some ignorant little hound to send it a lot of bunk anonymously under the name of Du Bignon, which, in said issue of June 7, 1934, accused President Franklin D. Roosevelt and Secretary of State Cordell Hull of being "inconsistent demagogues" and referred to our Democratic leaders in the Senate as "the bombastic JOE ROBINSON, of Arkansas, and the feather-brained PAT HARRISON, of Mississippi."

No one in Washington ever heard of Du Bignon. It is cowardly for anyone to write such attacks anonymously. It is cowardly for any sheet to publish such irresponsible, ignorant, lying, anonymous attacks.

Of course, we will not have time to do it in this session, but next year the Congress ought to take steps to annul the second-class mailing privilege of such irresponsible, disreputable, little so-called "publications" as the Censor.

SHALL WE CONTROL "HOT OIL", OR SHALL WE ALLOW OUR INDEPENDENTS TO BE RUINED AND FORCED OUT OF BUSINESS BY THE DUTCH SHELL AND ANDREW W. MELLON'S GULF MONOPOLIES?—THAT IS THE QUESTION

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and for permission to incorporate some exhibits in connection with several matters I desire to discuss.

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

There was no objection.

Mr. BLANTON. Mr. Speaker, I am grateful to my colleagues for granting me this privilege. I want to present to the Congress the urgent necessity for passing before we adjourn the oil control bill, which has been inexcusably delayed and shunted around for so long a time.

The West Texas Chamber of Commerce is the largest and most active institution of its kind in any of the 48 States. It is second in size only to the United States Chamber of Commerce. Since its organization its headquarters has been located in my district, at Stamford, Jones County, Tex. Jones County is the banner cotton county of Texas, and no finer people live anywhere in the world. There are 7,000 members and 189 towns and cities affiliated with the West Texas Chamber of Commerce. One of its able presidents was Hon. Houston Harte, of San Angelo, Tex. It has had many worthy presidents who were selected from the leading, outstanding, substantial business men of western Texas, who have reflected honor upon it and the State and Nation.

HON. ROBERT W. HAYNIE

Among its many able and distinguished presidents, I mention Judge Robert W. Haynie, one of the leading lawyers of my home city of Abilene, who at great personal sacrifice devoted much time to upbuilding the interests of west Texas. Linked with its history is the faithful, loyal, devoted service which, as its manager, Hon. Homer D. Wade rendered to it for several years. Its present manager is Hon. D. A. Bandeen, who is constantly alert to serve all of the people of west Texas to the very best advantage possible.

The West Texas Chamber of Commerce is whole-heartedly behind this oil control bill. It has been doing everything within its power to protect and save the independent oil operators in Texas. It has sent one of its former worthy presidents, Mr. W. B. Hamilton, of Wichita Falls, to Washington in an effort to get this measure favorably reported. All that is needed to pass it is to get the committee to report it so that the House can vote on it, for it will pass whenever Members of the House are given an opportunity to vote for it. The President of the United States has asked that this bill be passed. The Secretary of the Interior, Hon. Harold L. Ickes, has insistently urged its passage. The argument made by Hon. W. B. Hamilton, as representative of the West Texas Chamber of Commerce, at the hearing before the committee here, is unanswerable. And on behalf of the West Texas Chamber of Commerce, which in part I have the honor to represent here in Congress, I now incorporate as a part of my extension his said able argument, to wit:

STATEMENT OF W. B. HAMILTON, OF WICHITA FALLS, TEX., BEFORE THE INTERSTATE AND FOREIGN COMMERCE COMMITTEE OF THE HOUSE OF REPRESENTATIVES, IN BEHALF OF THE ADMINISTRATION OIL CONTROL BILL

Mr. Chairman and gentlemen of the committee, my name is W. B. Hamilton. I live in Wichita Falls, Tex. I have been an independent oil producer for the past 19 years. For 10 years I was president of a large independent oil company engaged in producing, transporting, refining, and marketing crude oil and refined products.

There is no part of the operation of oil production from the geological work to the marketing of the finished product that I have not personally performed. At the present time I am producing oil in the east Texas field, in the Conroe field in south Texas, and in the fields of north Texas and west Texas.

I am here representing the West Texas Chamber of Commerce, a commercial organization second in size only to the United States Chamber of Commerce. We have 7,000 members, 189 towns and cities affiliated with the regional organization. The program of work is divided between four main committees. For the past 7 years, except the 1 year when I served as president of that organization, I have been chairman of the oil and gas committee. Serving on the committee are producers, refiners, marketers, and persons interested in the oil business only as consumers of petroleum products. This committee makes a very careful study of the problems confronting the oil industry, and of proposed legislation affecting the conservation of oil and the cost of petroleum products to the consumer.

My training in petroleum engineering and in law while in college and my experience in the oil business has made me a strong advocate of the conservation of the oil and gas resources of the Nation. I saw the great oil field at Burkburnett, Tex., wasted, where three-fourths of the oil was left in the ground, never to be recovered. We producers either did not know the value of conserving the gas energy in the sand or else we were so determined to beat the other man to capture the largest quantity of oil out of the common pool that we followed very wasteful methods of producing oil in that very rich field. I saw the great Powell field in the east central Texas turned to water, with but a small portion of the recoverable oil taken from the sands. I saw the great Seminole field in Oklahoma wasted in the race between operators to get the most oil out of a common pool. It was not the operators in those fields alone who lost, it was not the States of Oklahoma and Texas alone who lost, it was the Nation that lost by the waste of this irreplaceable natural resource. Today there is great waste of this natural resource in almost every flush-oil field in the Nation.

Gentlemen, this is not a State matter you have before you. It is a national problem. If the other States are going to furnish a market, they have a right to say to the oil-producing States, "This irreplaceable natural resource, which is a necessity to the commerce and to the convenience and happiness of our people, must be conserved." The Federal Government has a definite duty to the people of this Nation to see that the oil resources of this Nation are conserved, that the oil is produced in that orderly manner necessary to the maximum recovery of the oil in the sand, to the end that the source of supply is protected and that the cost of refined petroleum products to the consuming public is kept at a reasonable level.

It will be my purpose to show you the need of a Federal law to assist the States in the conservation of the natural resources of oil and gas and to show you that this proposed law will bring about the conservation of these resources and that, in addition, it will protect the consuming public from the higher cost of petroleum products.

For many years it was the common practice of oil producers upon the discovery of a new pool of oil, to flow the wells to capacity, and to take the cream off of the oil pool. There was a mad race between the producers to get their wells completed and very wasteful methods were used by each producer in his effort to get a larger quantity of oil out of the common reservoir than his neighbor procured. Great quantities of natural gas were blown into the air. Salt water encroached from the bottom of the sand and from the edges of the pool. When the wells ceased to flow or the quantity of oil which they would yield did not justify such methods as air lift and swabbing, the wells were placed on the pump in an endeavor to produce whatever amount of oil could be recovered in that fashion. The operators would then seek out a new pool and take the cream of the supply therefrom in a similar manner, and so on and on. If an enlightened public opinion had not called a halt there would have been a very serious shortage of crude oil today. Many very valuable pools would have been wasted and fully two-thirds of recoverable oil would never have been produced. The plan of most of the opponents of this bill is to get a small lease in a given pool, drill a great number of wells thereon close together, flow their wells to capacity, take out a large quantity of flush oil, place it in commerce at whatever price it can bring and then go on to the next pool and repeat their rapacious practices.

We are consuming almost 1,000,000,000 barrels of oil per year. The present known reserves of crude oil in the United States is approximately 10,000,000,000 barrels, that is, if conservation methods of recovery of this oil are strictly followed. About four and a half billion barrels in flush fields and five and a half billion barrels in pumping fields. These known resources would not last for 10 years if the oil was produced in a wasteful manner. We must discover a billion barrels of potential oil per year to meet the consumptive demand. With the increased geological information and the development of the science of geophysics and its application to the discovery of oil deposits, this demand will be met. Shall these new pools which surely will be discovered be conserved or wasted?

Every consumer of gasoline and other petroleum products is deeply concerned in the conservation of this natural resource. Every wheel in industry, our entire transportation system, the carrying on of the commerce of the Nation, the economic life and the social life of the people of this Nation are dependent upon the certainty of supply of crude oil and the ability to secure refined petroleum products at a reasonable price level.

The opponents of this bill take the position that the way to make certain the supply of petroleum products at a low price level is by wasting this natural resource. In answer to questions of the chairman and members of this committee most of them said they were opposed to any kind of regulation of the production of oil by either State or Federal Government. "Give us free competition in the production of oil without any control", said the witness from New York. The man from California said the same, and the witnesses from Texas opposed to this bill have advocated the same policy for many years. One man from Louisiana said he believed physical waste should be prevented. He made the remarkable statement that this proration program always built up great potential supplies of crude which weighted down the price of oil.

You cannot prevent physical waste except by holding production down to consumptive demand. I agree with him the control of production to consumptive demand builds up a great potential reserve supply of crude oil. Gentlemen, I would add this fact, that where there is no proration the oil reserves are wantonly wasted underground, and a tremendous economic waste of a great natural resource is sure to follow.

In the fall of 1926 two highly productive pools of oil were discovered in west Texas. One was the Yates Pool in Pecos County, the other was the Hendricks Pool in Winkler County. The average well in the Yates Pool had a potential production of about 30,000 barrels per day. The average well in the Winkler Pool was about the same. I went before the Texas Railroad Commission, which was charged with the responsibility of conserving the natural resources of oil and gas, and asked that these two pools be put under proration; that is, pro rata division between the operators in the same common pool or reservoir of oil of the total amount to be taken from the pool each day. Our application was fought by many of the men who are opposed to this present bill, also by a major oil company which was buying the oil at a greatly reduced price from one of the men who opposed the order. Most of this oil was going directly into interstate commerce, all of it affected interstate commerce. The commission had not then, nor has it now, any power to keep oil out of commerce. This was the first application for a proration order in Texas.

The order was issued.

In the Yates pool the operators, both major and independents, because of enlightened self-interest, obeyed the conservation order, but in the Winkler County field there were two operators who refused to do so. We pleaded with them. We pointed out to them that if they continued to flow to its capacity the well which they had on a 10-acre tract in the heart of the field they would bring water into the field; they would enrich themselves but would destroy a great oil field in west Texas. They told us to go to. They said it was their oil and would produce it as they pleased. We called to their attention that other operators would be forced to open their wells and produce them to capacity. They replied they would get all the oil out before the other operators got their wells drilled.

Wells were rushed to completion surrounding this 10-acre tract. When they were completed they too were flowed to capacity. The offsets to the latter were opened up, and on and on throughout the pool. Soon all the wells were making water. Billions of feet of natural gas which should have been kept in the producing strata for the purpose of flowing oil and for the purpose of preventing the encroachment of salt water were blown into the air. The field was ruined because two operators refused to be good neighbors.

In the Winkler pool the wells are producing 15 barrels of water to 1 barrel of oil, while in the Yates pool there is practically no water being produced in the field. In the Winkler field the cost of lifting this fluid to the surface by artificial means is almost prohibitive, while in the Yates pool the wells are still flowing and upon actual gages show as much potential production as they did 8 years ago. They will be flowing for the next 15 years if every operator in the field abides by proration set up in that field. These two pools should have produced a like quantity of oil per acre. It is now conceded that due to the conservation methods being used in the Yates pool the ultimate recovery of oil from this field will be three times as much as will be recovered from the Winkler County field.

The experience in these two fields in West Texas should be sufficient proof to any honest man of the necessity of strong conservation laws, both State and National, to conserve the natural resource of crude petroleum.

In the great east Texas field havoc would be wrought very quickly if the law-abiding operators followed the same practice as the "hot-oil" thieves in that field are following. It would go to water like Powell field did. At least a billion barrels of oil would be left in the sand in that field which would never be recovered.

We went before the Texas Legislature in January 1927 and asked for the passage of a conservation law giving the railroad commission power to curb production in order to prevent economic waste as well as physical waste. The bill, as finally passed after a very long struggle, permitted the commission to make conservation rules to prevent physical waste, but they were definitely restrained by law from considering economic waste in issuing proration orders. Many of the same persons who opposed this bill before the Texas Legislature at that time and who opposed the bill at every regular or called session thereafter are here trying to defeat this bill. They now say we have a good law, but they told the Texas Legislature it was a bad law. Their cry then was the same as it is here that the law will destroy the independents and benefit the majors. These persons represent a very small minority of the independent oil producers of Texas. They represented but a small portion of the independent producers at that time. It took us a long time to get the true facts before the Legislature of Texas, but when we finally did in January of this year the legislature passed house bill 99, giving the railroad commission the right to issue orders prorating Texas oil production to consumer demand. This bill was passed by the House, 125 votes to 15, and in the Senate by 24 votes to 1. The essential elements of this law are the same as we tried to get passed by the legislature in regular and called sessions for a period of 7 years.

During this period of inadequate conservation laws and invalid proration orders promulgated thereunder, a "hot-oil" racket has become so firmly established in Texas that the Texas Railroad Commission, even though it tried its best, could not dislodge these "hot-oil" thieves without the aid of the Federal Government.

If the members of the Texas Railroad Commission were thoroughly interested in conserving the oil resources of Texas, they would follow the example of the Governor of Texas and wire President Roosevelt that they believe this bill should be passed by Congress at once.

The conservation of natural resources is not a new function for the Federal Government. It is now engaged in reforestation work in a number of States. The frightful waste of our forest reserves is well known. There are men living today who saw the great virgin forest around the Great Lakes utterly wasted. Compare that waste with the conservation of timber now practiced in the great national forests which were set apart on the public domain by Gifford Pinchot, Secretary of the Interior under President Theodore Roosevelt. From these forests there have been cut millions of feet of lumber each year, yet there is more timber standing in these national forests today than at the time they were set apart. It is the difference between conservation and waste.

The effect of producing a natural resource in quantities above the consumptive demand is shown in the case of the production of lumber. Each producer in Wisconsin tried to get his lumber on the market before his neighbor did. Lumber sold on an average of $3 per thousand feet. No one made any money out of the production of lumber from that great forest except a favored few. The consuming public had cheap lumber for a while, but now in the same communities people who saw their virgin timber manufactured into lumber and sold for $3 per thousand feet are now paying $70 to $90 per thousand feet for an inferior lumber.

To a degree lumber is replaceable. But oil is a one crop. It is irreplaceable. Also one producer of lumber could cut his timber or leave it standing where it would grow and become more valuable. But not so with oil production. One operator in an oil field can cause the complete destruction of a pool.

If this bill is enacted into law this destructive waste of this great natural resource can be stopped, and without this Federal law it cannot be stopped.

More and more producers of oil have learned that enlightened self-interest demands that they conserve this natural resource. They have learned that they can secure three times as much oil from a given sand by conserving the gas and control the encroachment of bottom-hole water. They have learned that these conservation methods not only enable the operator to get more oil out of the common reservoir but also at a less cost per barrel. But in each field there is a vicious few, some enriched on hot oil, some selfish by nature, some so rich they neither fear nor care what the other man does, those who want to get rich quick at the expense of their neighbors, and those persons engaged in selling stock in producing and royalty companies, all entrenched in gold and political influence which brings on a situation which caused the President of the United States to ask Congress to pass the proposed bill at this session.

Where a State has no board set up to conserve the oil and gas resources under this bill, the Federal Government can go into the pools of that State and say to the operator, "You produce your oil according to a rule for conservation or your oil cannot go into the channels of commerce. It will be embargoed on the lease where it is produced."

Where a State has a board or commission set up charged with the responsibility of conserving this natural resource so vital to the business and to the happiness of the whole people of the Nation, how would this bill bring about the conservation of oil in that State?

Under the bill the Federal Government sets a quota in commerce for each State, its part of the national consumptive demand. This quota is distributed by the State board between the various pools of the State and between the various operators in a given pool. If each operator produces only the oil prorated to him, the sum total of the amount produced by all the operators in the State will equal the total quota to enter commerce allocated to the State. If the total oil going into commerce exceeds this quota, then the Federal Government can go into the State and stop the "hot oil" on the lease where it is produced before it enters commerce. But in the commerce in petroleum it is impossible to separate intrastate commerce from interstate commerce. It is so intermingled, and the one so burdens the other that they cannot be separated. This was held in the recent circuit court decision in New Orleans in the Amazon case.

If the State regulatory body does not get the allowable for the entire State as high as that announced by the Federal Government as the consumptive demand for oil produced in that State, how will this bill bring on the conservation of the natural resource of oil? That situation will hardly happen. You can depend on public sentiment to force the State governing body to set the allowable as high as the quota in commerce set for the States will permit.

Also, you can count on the producer of crude in a given pool to report both to Federal agencies and State agencies when an operator is producing beyond his pro rata share of the outlet of the pool, if he believes something is going to be done about it. It is very difficult for a State conservation agency to divorce itself from political influence, particularly where the members of the conservation commission are elected by popular vote. The tendency is to build up the necessary political machine to reelect themselves to office. At every proration hearing affecting any pool of oil they must give due consideration to the weight of the political influence of those for or against the proposed order. The influence of the group which is not interested in conservation methods in the production of oil and the group which is producing

hot oil have had great weight with the commission. In Texas the industry has lost confidence in the railroad commission. That confidence can be regained only if the commission either voluntarily or involuntarily makes more effective the enforcement of its orders. There could be no more effective method to assist the elective conservation commission in a State to rid itself of the influence of the groups that try to break down proration and bring about uncertainty in proration orders and their enforcement than the assistance that this bill will give those bodies in bringing about the conservation of the oil resources of the State through the controls of quotas in commerce.

The "hot-oil" producer who would destroy the natural resource, steal his neighbor's oil from under his neighbor's lease while his neighbor was obeying the law and orders of the conservation commission, would have his oil embargoed on his lease where it was produced. It could not enter commerce. He could not get a quota in commerce for his production beyond his prorata part. The oil and gas resources of a given pool can be conserved only when every operator is forced to take from his well only his prorata part. Unequal withdrawals bring about untold underground waste, and the flooding of the market with this stolen oil places a tremendous burden upon commerce. Uncertainty in the law and in the regulations means prosperity for those who wish to break the law and steal his neighbor's oil. Without this law, wanton waste will continue in all the producing States.

The only remedy the State has to prevent "hot oil" from being produced is the assessment of a penalty. In the State courts conviction is about as uncertain whether the accused is a bank robber or a producer of "hot oil." The State conservation body cannot prevent hot oil from entering commerce. As previously stated, it is physically impossible to separate intrastate from interstate commerce in petroleum and its products. This law would give the additional governmental supervision necessary to force each operator in the field to observe conservation methods of production. The Federal agency would have the most powerful of all weapons; that is, the right to stop the "hot oil" from entering commerce.

If this bill is enacted into law the consuming public will be protected against an unreasonable cost for refined petroleum products.

1. The source of supply will be conserved. The flush fields can be produced in an orderly way so that the maximum number of barrels will be recovered and at the minimum cost per barrel. This will cut down the cost to the consuming public because the source of supply is assured and the cost of producing the raw product is held to a minimum. The saving of the 300,000 stripper wells, the real backbone of the source of supply, will tend to cut the cost of gasoline to the consuming public because if they are abandoned new pools must be discovered to provide the oil which these wells would produce. One of the greatest costs of gasoline to the consumer is caused by waste underground.

2. The tremendous cost of storing oil above ground will be saved. Loss by fire, loss by evaporation, loss by deterioration of the raw product, the tax cost, insurance cost, the large interest charge on the investment in the oil, and the steel storage is a tremendous charge upon the consuming public.

3. The seasons of plenty and seasons of famine, with the attendant cost to the consuming public will be done away with.

4. This law will prevent monopoly in the oil business. The law-abiding independent oil producer and refiner is being ground to death between the hot-oil thief and the major companies. The large, well-financed majors can withstand the flood of oil when it enters commerce in quantities more than the market will consume. The major company can store the flood of cheap crude and refine it when the price goes up. They have the facilities and the money. I believe there are some major companies who are secretly fighting this bill in order that a chaotic condition can be brought about so they can fill millions of barrels of empty storage with 25-cent crude oil.

The law-abiding independent and law-abiding refiner will be destroyed if this bill is not enacted into law. When they are destroyed you will have monopoly and the consuming public will pay the bill. A tragic economic catastrophe is sure to follow. Schools will be closed in the oil country, prosperous communities will be impoverished, tens of thousands of men will be thrown out of employment, wages will be cut, hundreds of banks will either close their doors or the R.F.C. will be forced to take them over. No wonder the Texas Bankers' Association unanimously voted a resolution asking that this bill be passed at this session of Congress. The East Texas Chamber of Commerce has petitioned Congress to pass it; the West Texas Chamber of Commerce, on the 14th of this month in convention in San Angelo, Tex., after hearing the bill denounced by Colonel Thompson, of the Texas Railroad Commission, unanimously voted a resolution requesting Congress to pass this bill at this session; the business and commercial organizations of Texas ask it; the independent oil men of the Nation ask it, except a little handful who oppose it. Among those so-called "little independents" are some of the richest oil men in Texas. The coal men of the Nation will be ruined unless the production of crude oil is held to consumptive demand and "hot-oil" production is stopped.

Should the whole Nation suffer in order that a few very rich men may become wealthier and so that a few promoters who sell stock in producing and royalty companies may get rich quick?

Gentlemen of the committee, you will see such an abandonment of stripper wells in every oil-producing State, such a wanton waste of an irreplaceable natural resource, such chaos in marketing in every State in the Union, that you will be called back in session, and you will force every law-abiding independent to come here on his knees and ask you to do the thing he would hate most to see done—a law providing for the complete regimentation of the oil industry. The consuming public through the marketers will be here doing the same thing. So will the majors themselves. Gentlemen, save us from such a day.

If this bill is not passed, the only way this catastrophe can be escaped is for the law-abiding producers to sit by and see their oil stolen from them, to sit by and see their properties flooded by water, to sit by and see the gas energy wasted into the air, to sit by and see this needed natural resource wantonly wasted. The ordinary economic laws that govern the manufacturing of such products as shoes, clothing, goods made from steel, and so on, are not applicable to the refining of oil, because of the difference in the nature of the raw product, and the ease with which it can be turned into a usable product. The shifting of markets from the legitimate law-abiding independent refiner to the "hot-oil" refiner with a flood of cheap gasoline made from stolen oil is so rapid it is utterly destructive of legitimate business.

The law-abiding independent refiner will be forced to become a "hot-oil" refiner or shut his plant down and let it go to rust.

Gentlemen, surely you will not exact that penalty of us in order that a very few oil men may get rich quick and come up here and defeat legislation, and go to Austin and the various other State capitals and defeat laws and valid proration orders, and permit the natural resources of crude oil in this Nation to be destroyed upon the altar of greed.

Finally, gentlemen, in the light of the disturbed international relations, the default or the repudiation of debts due the United States, the control of the foreign supply of oil by these nations, the possible need of a large supply of fuel oil and gasoline by our Navy, will you adopt a national policy with regard to the conservation of this irreplaceable natural resource which leaves the matter of determining the type of conservation, if any, of this resource entirely to the State producing the oil? Will you support the President of the United States, who has asked for this legislation. It is only he who knows the international situation.

W. B. HAMILTON,
Wichita Falls, Tex.

(Representing the West Texas Chamber of Commerce, main office, Stamford, Tex.)

ORDER OF BUSINESS

Mr. O'MALLEY. Has the gentleman from Tennessee any idea as to whether the pension bill will come up?

Mr. BYRNS. I have an idea that the bill may come up, and I hope it will.

Mr. PETTENGILL. Mr. Speaker, the committee has reported the railway pension bill by an almost unanimous vote this morning, having adjusted their differences in committee, and I hope that bill may come up also.

Mr. BYRNS. I understand the Senate has that bill under consideration now and will dispose of the matter today. I do not know what the situation may be later.

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

THE UNEMPLOYMENT CENSUS

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the unemployment census bill.

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

There was no objection.

Mr. PETTENGILL. Mr. Speaker, no one knows accurately the total amount of unemployment or where it is located. Conditions have changed radically since 1930. It is therefore said with a good deal of conviction that an unemployment census will probably save its cost several times over in the more intelligent use of funds for the solution of this problem.

But the census is to begin on November 12, 6 days after the election. It is said that that is an ideal time to take the census, especially in the agricultural sections of the country. Let us grant that. Still, that date lays the whole thing open to the charge, whether just or unjust, that it is designed to influence the election.

That charge ought to be avoided at all hazards. Caesar's wife should avoid not only evil but the appearance of evil. So should the United States Government.

The census, if it is to be taken, ought to be farther removed from the election, either ahead or behind.

The prime asset of government is the confidence of its citizens. In the last analysis it is its only asset. I will not vote to impair it.

COMMITTEE ON ACCOUNTS

Mr. WARREN. Mr. Speaker, I ask unanimous consent that for the remainder of the session the Committee on Accounts may be permitted to sit during the sessions of the House.

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

There was no objection.

PAUL JELNA

Mr. HILL of Alabama. Mr. Speaker, I call up the conference report on the bill (H.R. 3032) for the relief of Paul Jelna.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3032) for the relief of Paul Jelna, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.
MORRIS SHEPPARD,
M. M. LOGAN,
ROBERT D. CAREY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3032) for the relief of Paul Jelna, state that the effect of the Senate amendment was to deny the beneficiary of the bill the right to make a claim for pension. The elimination of the amendment gives this right to the beneficiary.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

Mr. HILL of Alabama. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

WILLIAM G. BURRESS, DECEASED

Mr. HILL of Alabama. Mr. Speaker, I call up the conference report on the bill (H.R. 2439) for the relief of William G. Burress, deceased.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2439) for the relief of William G. Burress, deceased, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.
MORRIS SHEPPARD,
M. M. LOGAN,
ROBERT D. CAREY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2439) for the relief of William G. Burress, deceased, state that the effect of the Senate amendment was to deny the beneficiary of the bill the right to make a claim for pension. The elimination of the amendment gives this right to the beneficiary.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

Mr. HILL of Alabama. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

JOHN P. LEONARD

Mr. HILL of Alabama. Mr. Speaker, I call up the conference report on the bill (H.R. 541) for the relief of John P. Leonard.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 541) for the relief of John P. Leonard having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.
MORRIS SHEPPARD,
M. M. LOGAN,
ROBERT D. CAREY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 541) for the relief of John P. Leonard state that the effect of the Senate amendment was to deny the beneficiary of the bill the right to make a claim for pension. The elimination of the amendment gives this right to the beneficiary.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

Mr. HILL of Alabama. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMERICAN LEGION CONVENTION

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9123) to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion at Miami, Fla., during the month of October 1934, with Senate amendments, and agree to the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 7, after "cots", insert "and."
Page 1, lines 7 and 8, strike out "and mattresses or bed sacks."

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

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

INCREASED COST OF GOVERNMENT CONTRACTS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H.R. 9002, an act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause down to and including line 22, on page 2, and insert:

"That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle on a fair and equitable basis claims of persons who entered into a contract or contracts with the United States prior to August 10, 1933, including subcontractors and materialmen performing work or furnishing material or necessary fuel direct to the contractor under such contracts, for additional costs incurred by reason of compliance on and after August 10, 1933, with a code or codes of fair competition approved by the President under section 3 of the act approved June 16, 1933, known as the "National Industrial Recovery Act", or by reason of compliance with an agreement with the President executed under section 4 (a) of said act in the performance after August 10, 1933, of the contract or any part thereof. In the event that such contract was performed wholly or in part by a surety on the bond of the contractor, the claim may be presented by and settlement made with such surety, but such surety shall have no greater rights than would have accrued to the contractor had such contractor completed the contract. Any contractor, subcontractor, or completing surety desiring an adjustment and settlement with respect to any such contract under this act for increased costs incurred after August 10, 1933, by reason of compliance with the codes or reemployment agreements shall file with the department or administrative establishment concerned a verified claim itemizing such additional costs, and any subcontractor on any such contract may file his claim directly with the head of the department or independent establishment concerned or through the contractor. After the claim has been examined by the head of the department or independent establishment concerned, or such person or persons as he shall designate, the claim shall be transmitted to the Comptroller General of the United States, accompanied with an administrative finding of fact and recommendation with respect to the claim."

Page 2, line 23, strike out "3" and insert "2."

Page 2, line 23, strike out "award" and insert "allowance."

Page 3, line 5, strike out "4" and insert "3."

Page 3, line 5, strike out "award" and insert "allowance."

Page 3, lines 8 and 9, strike out "The agency or agencies to be created or designated thereunder" and insert "The head of the department or establishment concerned, subject to the approval of the Comptroller General."

Page 3, strike out lines 12 to 17, inclusive, and insert:

"SEC. 4. No claim hereunder shall be considered or allowed unless presented within 6 months from the date of approval of this act or, at the option of the claimant, within 6 months after the completion of the contract, except in the discretion of the Comptroller General for good cause shown by the claimant."

Page 3, line 18, strike out "6" and insert "5."

Page 3, strike out lines 21 to 25, inclusive, and insert:

"SEC. 6. In all proceedings under this act witnesses may be compelled to attend, appear, and testify and produce books, papers, and letters or other documents; and the claim that any such testimony or evidence may tend to incriminate the person giving the same shall not excuse such witness from testifying, but such evidence or testimony shall not be used against such person in the trial of any criminal proceeding. Nothing in this act shall in any way relieve or excuse any officer of the United States or any claimant from prosecution under any statute of the United States for any fraud or criminal conduct."

Page 4, strike out lines 1, 2, and 3.

Mr. SNELL. Mr. Speaker, will the gentleman from Texas yield for a question?

Mr. SUMNERS of Texas. Yes.

Mr. SNELL. I have been told that practically the only change is that the Senate amendment places the responsibility for these settlements with the Comptroller General instead of a commission.

Mr. SUMNERS of Texas. It is my understanding that is the only material change. I did not examine this bill with the Committee on the Judiciary of the House yesterday, but it was examined by the committee, and they agreed that really the Senate amendment improved the bill.

Mr. SNELL. I should think so.

Mr. DOWELL. And it was a unanimous report of the committee?

Mr. SUMNERS of Texas. It was a unanimous report, I am advised.

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

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

THE ECONOMIC OUTLOOK

Mr. COLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein a radio address delivered by my colleague the gentleman from Maryland [Mr. GOLDSBOROUGH].

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

There was no objection.

Mr. COLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of Hon. T. ALAN GOLDSBOROUGH, of Maryland:

I have said I was going to talk about the economic outlook. For the purposes of these remarks, what I mean by the economic outlook is just how the middle and poorer classes of our people are going to fare in the immediate future.

It has often been said that the American laborer is better off than his brother elsewhere in the world, whether in Europe, Asia, or any part of the Americas outside of the United States. This statement is true and is even given as an excuse for our letting conditions alone and not attempting to improve them.

Neither labor nor agriculture has ever received its fair proportion of any country's production, and this statement is as true of the United States as it is true of every country in the world, although, because of the greater enlightenment of the American people, labor is in a better position than it is elsewhere.

It has been conservatively estimated that the actual and potential production of the American people is sufficient to justify a distribution annually of the good things of this world to every family in the country to the equivalent of what could be purchased with $20,000. In other words, it has been shown that the American people are able to produce enough for every family in the country, irrespective of station, to have an income equivalent to around $20,000 a year if the wealth were equally distributed. Of course, the wealth cannot be equally distributed, because higher ability justifies higher earning power; but even giving full weight to this consideration, there is no reason why there should be any poor people in this country.

The truth of the matter is that ever since about 1820, when the harvester was invented, the genius of the American people has been devoted to the problem of production and the problem of distribution has been overlooked.

It is an interesting fact that the philosophy of Francis Bacon, described as a philosophy of inductive reasoning and experimentation, began to make its impression upon the people of this country during the first quarter of the nineteenth century, from which time until now we have largely lost sight of the deductive reasoning process necessary to an understanding of just principles of distribution.

The first thing necessary is a realization among our industrialists that the only way they can keep their factories on a full-time and profitable basis is to see to it that buying power is furnished to the masses of the people, in general, to agriculture and the laboring classes, that good prices for basic agricultural products, such as wheat, corn, cattle, hogs, milk, butter, etc., are sustained, and that wage scales are built up to a point where the masses of the people will be able to buy.

The present administration is making a mighty effort along these lines and is also endeavoring to cooperate to make unnecessary child labor and to guarantee security for the aged and insurance for the unemployed. It is, of course, perfectly obvious that the only sound principle for the distribution of the Nation's wealth is the principle of justice and not the principle of charity and when we learn what justice is in the light of distribution and carry out its principles, charity will be unnecessary. Justice is more august than charity, but until we have a better understanding of how to get the country's enormous production to the masses of the people, we should provide them with insurance when they are unemployed and with pensions when they are old. No one in a country as rich as this should ever be subjected to the humiliation of public charity; society's recognition of human dignity should absolutely prevent this.

On the subject of old-age pensions I have been consistently working since 1930. I prophesied then that the recently enacted laws of New York and California providing for old-age pensions would be successful in their operation and that the result of the operation of these laws would cause like legislation to be passed in the various States and by the National Congress. At the end of March 1934 there were 50,640 old-age pensions being paid in the State of New York, and 16,068 old-age pensions being paid in the State of California. There is still a chance of our securing old-age pension legislation in the American Congress before its adjournment, and I have no real doubt that it will certainly be secured in the next Congress.

I have recently been in consultation with some very influential people in my own State of Maryland, and there is going to be a concentrated effort made in the next Maryland Legislature to pass compulsory old-age pension legislation. Of course, every effort to change conditions favoring the under dog is combated everywhere by entrenched wealth and power. This is a situation we cannot change and one which causes delay in the passage of humanitarian legislation. The necessity of a change in our monetary system is a matter about which the American Congress is becoming increasingly conscious.

About one-tenth of our currency is real money and about nine-tenths of our currency is check money, which is the result of loans extended by banks and which are redeposited and checked on so that about 0.9 of our money is simply a by product of private banking operations; and when banks are engaged in the process of collecting loans made by them, our currency is contracted. To illustrate: In normal times the deposits in all banks of the country are about $55,000,000,000. The deposits

now amount to something less than $35,000,000,000. Expressed in another way, the credit currency of the country has been reduced about $20,000,000,000 below normal. Under conditions such as these it is impossible to transact the business of the country.

Society, which is represented by the Government, should furnish itself with a dependable medium of exchange that actual money can be placed in circulation during a period when the banks are not performing their normal functions, which money can be taken out of circulation when the banks resume their usual loaning operations.

Daniel Defoe, whom we all remember as being author of Robinson Crusoe, was also in his day an authority on monetary matters. Writing in 1701, Defoe said: "Trade always bears a proportion to money and credit; and consequently, they who by any methods diminish the stock of cash or credit equally injure our trade. The calling in our coin visibly put a stop to trade, because the stream which drives the mill * * * was ceas'd. * * * Whoever wounds the public currency of proper credit is robbing the nation of so much stock * * * and trade must decline accordingly." At that time the same general situation of property in the midst of plenty appears to have existed. Writing in 1729, Defoe says: "The poor * * * wanted bread; the wool lay on hand, sunk in price, and wanted a market; the manufacturers wanted orders, and when they made goods knew not where to sell them; all was melancholy and dismal on that side. Nothing but the East India trade could be said to thrive; * * *."

In speaking of present conditions in England, the Earl of Tankerville in an address delivered at the Grand Hotel, Stockholm, on Tuesday, May 8, 1934, said: "The community cannot buy all that it has produced for the simple reason that the necessary money has not been put into its hands. And so there arises an unsalable surplus, which the Nation has produced, but which, for the reason I have just given you, its individual members cannot buy."

In a resolution adopted by the Association of British Chambers of Commerce on April 19, 1934, the statement is made: "This association views with grave concern a defect of fundamental importance in the monetary system whereby the purchasing power of the community is rendered increasingly insufficient to buy the whole product of industry, the effect being reflected in the present disastrous world situation, and accordingly requests the executive council to take the necessary steps to set up a special committee composed of representatives of the association, and of other important commercial and industrial organizations, to consider how this defect can be remedied, and to report."

In a bill now pending before the Committee on Banking and Currency of the House of Representatives a monetary authority is set up to represent society as a whole and upon which is placed the responsibility of furnishing society with a dependable medium of exchange and of reflating the price level and stabilizing it.

Hearings were held on this bill before the committee beginning on January 30, 1934, and ending on March 8. More than 500 pages of printed matter covered these hearings. The demand for them has been very great and over 5,000 copies have so far been distributed to colleges, universities, chambers of commerce, public libraries, and financial institutions throughout the world, and the Government Printing Office informs me that in the last few days it has received an order for 1,500 copies from an economic organization in New York. It may, of course, take some time to work the matter out; but when I visualize the enormous advance in monetary thinking in the 14 years, I have been in Congress, it seems almost like a miracle. In 1922 the first hearings since the beginning of time on any measure looking to the stabilization of money in the interest of all the people were held before the Banking and Currency Committee of the House of Representatives. These historic hearings were held on December 18, 19, 20, and 21, 1922. Over 60,000 copies have, upon request, been sent all over the world and began an inquiry which will never stop until the people are furnished with a dependable medium of exchange, and until a period of social distress such as we have been through in the last 4 years can never be repeated.

Within the short span of my public life I have seen very many instances of vast changes in predominant public sentiment. Every thinking person believes in conservatism in matters of legislation. If there is one thing on earth about which you cannot let your enthusiasm control you, it is in matters of legislation. You must be guided by sympathetic reasoning—and the thing that interferes with progress is not real conservatism, but the static mental processes of those who feel that they are economically safe themselves and refuse to give consideration to the difficulties besetting the great masses of humanity.

This kind of conservatism is what I will call "pure conservatism", and pure conservatism is always wrong. Civilization is never fixed, no Joshua has power to stay the course of the human mind. Change is the necessity of human history, progress the duty of the human race. Pure conservatism has no place in the annals of mankind. It concedes the past but denies the future. It worships the actual but anathematizes the possible. Its creed is the present because it is the present. It has neither sympathy with the past nor prophecy for the future. Content where it finds itself, pure conservatism sits down by the wayside while the march of civilization passes by and presses on to the promised land of the future, guided on her dark way by faith in the destiny of man as by a pillar of fire.

ALCOHOLIC BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H.R. 8525, an act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of classes A and B in residential districts, with Senate amendments, and agree to the Senate amendments.

The Clerk read the Senate amendments, as follows:

Lines 6 and 7, strike out "A, B" and insert "B."

Amend the title so as to read: "An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of class B in residential districts."

Mr. RANKIN. Mr. Speaker, reserving the right to object, I want to ask the gentleman from Maryland if we may reasonably expect that the schools of this city will be protected from having beer and liquor saloons placed in front of them or near them?

I do not talk about this prohibition question much here, but we were definitely promised before you passed any wet bills that the school children of this city were going to be protected. I know of my own knowledge that there has been a beer saloon right in front of the Peabody School, a primary school on Maryland Avenue, for the last year or so, and I want to ask the gentleman from Maryland if it is going to be the policy to stick these saloons in front of the school children of this city, and if so, I want to be heard on the proposition. If these things continue, the moral forces will rise up and drive the liquor traffic out of the District of Columbia.

Mr. PALMISANO. Mr. Speaker, this bill has passed the House. It is only to permit off-sale license in the residential zones. These men whom the bill is to benefit, before the liquor bill passed, had a beer license. The Senate amended it so that it will not apply to liquor and it is only to sell beer in a residential zone and I think it is more or less off-sale.

Mr. RANKIN. Mr. Speaker, the people of the District of Columbia are not properly protected. Not only have their children been abused by this practice of placing saloons in front of their schools, but they have also been abused by permitting to be shown here, and I suppose all over the country, vulgar, filthy picture shows that have degenerated into night schools of immorality. The religious people of this country, the fathers and mothers of the Nation, beginning with the District of Columbia, are starting a revolt. They are not going to permit the alien, corrupt element that now has control of the picture-show industry in this country to destroy our civilization by debauching their children in this way. You might as well understand this now! The Christian fathers and mothers have started a revolt, and I for one am going to join them. If you want to go to these immoral shows, place them in a segregated section of the city, and put this sign over the door: "Indecent Picture Show; Children Not Allowed." But you are not going to continue to debauch the morals of the children by putting on the stage shows that would justify sending even their makers to the penitentiary if they had a just trial, nor are you going to continue to stick these beer and liquor saloons in front of the public schools of the District of Columbia, if I can prevent it. I do not pose as any saint, but for the last few months I have taken my child and walked out of the dirty picture shows in the District of Columbia, and I have seen other parents do the same thing.

It took 2,000 years to build this civilization, based upon the finest moral precepts. It did not come about by accident. It cost the toil and suffering and sacrifices of millions of noble men and women. Its very foundation was laid upon the dead bodies of early martyrs. Every stone in its superstructure represents the life of some great man or woman, dedicated to the cause—cemented by the blood and tears of the fathers and mothers who have given their lives that their children might have a better world in which to live.

And now to have this glorious temple undermined and destroyed by these vermin; poisoning, polluting, and cor-

rupting the lives of little children is more than the fathers and mothers of this country will stand.

Go to some of these picture shows that could be used to serve a great educational purpose, and what do you see? Invariably you see a show so vile and corrupt that if a newspaper published an accurate description of it the editor would go to prison for sending obscene matter through the mail. They attempt to make a hero of the loathesome libertine that debauches some college girl or wrecks his neighbor's home, or to make a heroine of some woman of ill fame.

Behind all this is a poorly concealed plan to tear down and destroy the moral fabric of our civilization. But they have reckoned without their host. The moral forces of America are becoming aroused, and are saying in the immortal words of a certain French general, "They shall not pass!"

It is time for Congress to wake up and help to protect the children of this country, including the children of the District of Columbia. [Applause.]

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was agreed to.

DEDICATION OF THE POST OFFICE DEPARTMENT BUILDING, JUNE 11, 1934

Mr. JOHNSON of West Virginia. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of West Virginia. Mr. Speaker and Members of the House, it was my privilege on last Monday to attend the dedicatory services held at the new post office here in Washington. There were a great many addresses made there. I was extremely impressed by the masterful oration delivered by our distinguished Speaker. It is full of information, showing the development of our Postal Service. I was so impressed that I felt that his address should be printed in the public RECORD, and I therefore now ask unanimous consent to print that address in the CONGRESSIONAL RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of West Virginia. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. HENRY T. RAINEY, Speaker of the House, June 11, 1934:

One hundred and thirty-seven years after the voyage of Columbus the first official act dealing with the American Postal Service was taken by the General Court of Massachusetts. A modest tavern in Boston was named as the official repository for the mail brought across the seas.

Thirty-nine years later the Governor of New York established a monthly mail service between New York and Boston. Ten years later in Pennsylvania William Penn established a weekly post.

By 1691 the population of the English Colonies in America had grown to 200,000. The necessity for a postal system began to become apparent, and ambitious subjects of the King of England began to see money-making possibilities in transmitting through the Colonies intelligence, and the King of England granted a monopoly for 21 years to Thomas Neale, one of his favorites. The service was inaugurated with dignity and with proper attention to the importance of the matter and the King issued letters patent to Neale, which gave to him the monopoly of postal communication in the American Colonies and he was authorized to charge for the service all the money he could induce the planters to give.

The revenue possibilities became apparent, and 15 years later, before the expiration of the monopoly awarded to Neale, the King of England took over the service. For over a third of a century the balance sheets sent to London showed continual deficits and the King abandoned the attempt to distribute mail in the Colonies, and Benjamin Franklin was made postmaster at Philadelphia. Later on, under Franklin's direction, the postal service quickly increased. In 1753 the total revenues amounted only to $1,200, but 15 years later, under Franklin's direction, there were surplus revenues amounting to over $12,000, but under the regulations established by the King the entire profits of the service were sent to England. The American Colonies bitterly resented the attempt of the King of England to make a profit out of postal communications, and it is evident that the unfriendly feeling of the Colonies for the British crown commenced with the determination of the King of England to make a profit out of the American Colonists for distributing mail. As a measure of retaliation letters were carried by post riders and it was not long until the profits of the royal mail service were completely destroyed. Franklin insisted always that postal rates were not a tax and should not be a tax, but he contended rather that they were fees for service rendered.

It was not long until local committees of correspondence and observation were organized and they employed their own dispatch riders. Paul Revere was one of them. After the Battle of Lexington, dispatch riders were sent to all the Colonies with news of this event, and when the mail messenger reached Williamsburg, Va., carrying the news of the Battle of Lexington, the Gazette, published in Williamsburg, issued a special edition with the caption, "The Sword Is Now Drawn and God Knows When It Will Be Sheathed." The Sons of Liberty were organized and took charge of the Postal System. Ship captains were ordered to deposit their letters at special coffee houses instead of at the post offices, and whenever it was necessary they took the letters by force, and the first letters sent through the post office at New York were those containing threats against leading Tories.

From that time until this, Postal Service in the United States rapidly developed with the rapidly increasing population. Washington advocated the distribution free of information relating to "the laws and proceedings of the Government", and the distribution of franked mail has continued through the years with but one slight interruption, following the suggestions of Washington.

Our Government, in its origin, commenced by affirming the equal rights of men, and our school system and our mail service developed side by side. Commenting upon free schools and cheap distribution of intelligence through the mail service, Lincoln said in the beginning, "We proposed to give all a chance and we expected the weak to grow stronger, the ignorant wiser, and all better and happier together", and so our Postal Service became an instrument for social welfare. It carries messages of sympathy and love; it holds together a scattered family; it enlarges the common life of all; it disseminates news rapidly. It has become the instrument without which trade and industry could not exist. It has helped to bind together the people of the 48 States in mutual friendship and understanding. It has promoted peace and good will throughout the Nation and throughout the world.

Today we dedicate this magnificent structure—the most important and the most beautiful building devoted to postal purposes in all the world—and it is peculiarly appropriate that this building, the center of the greatest mail service in the world, should have been constructed here in the very heart of the Nation's Capital.

The Post Office Department is the largest single employer of labor in the world. There are over 240,000 permanent employees in the service. The service has at last become self-sustaining. Deficits are disappearing. There are 15,000 post offices in the United States, all controlled from this building. There are in operation now 40,000 rural routes, giving postal service to 26,000,000 individuals, and today the daily arrival of the rural carrier at lonely farms keeps the family in touch with the world and its happenings. Every day carriers in the rural service travel over 1,300,000 miles. There are in existence over 12,500 star routes, and star-route carriers travel every day over 240,000 miles. There are in operation nearly 4,000 railway post-office trains, covering every day 193,000 miles of surface. Four hundred and thirty-five companies carry the mail every day over 206,000 miles of railroads. Every year we transmit to foreign countries by land and by sea over 300,000,000 letters and other articles, exclusive of mail carried in the parcel post.

In the beginning of the fiscal year 1933 there were 27,000 miles of air-mail routes over which during that year nearly 7,000,000 pounds of mail were carried on flights aggregating 36,000,000 miles. The air mails of the United States are delivered at airports in Colombia, Venezuela, and the Canal Zone on the second day from the time of the dispatch, and at Argentine airports on the seventh day. International air routes provide direct mail and passenger service to the countries of Central and South America and the Caribbean, starting from Miami, Fla., and from Brownsville, Tex., covering 18,500 miles of territory and comprising one of the world's largest systems of airways.

The Postal Savings System of the Post Office Department holds in trust today for over 2,300,000 depositors over $1,000,000,000 in postal savings.

All this Service centers here and will be controlled from this building. It is appropriate indeed that this structure, dedicated today, should be ample in its accommodations, beautiful and impressive in its architecture, and the money expended in its construction is money well expended.

Our Postal Service has now become almost self-sustaining. In 1933 our expenditures in support of this splendid Service were over $700,000,000 and our revenues from the Service almost balanced our expenditures. The dream of Benjamin Franklin and the Sons of Liberty has been more than realized. Sixty-one years ago our postal revenues amounted to only $23,000,000.

Automobiles and improved roads are making possible an increase in the average length of rural routes and this is making possible economies in the Service. Routes are rapidly now being consolidated and in the course of the next few years we can expect substantial savings in this Service.

We are continually building in our smaller towns, when the receipts authorize it, more and more monumental post-office buildings, and it is not too much to expect that in the course of a few years every first-class post office, and perhaps every second-

class post office, will be properly housed in a public building provided for that purpose by the Government of the United States.

It is evident now that private control by contracts of the distribution of mail over rural routes and star routes will never be inaugurated. It is a public service and ought to be administered always by employees wearing the official uniforms prescribed for that purpose, and all of them sworn to protect and defend the Constitution of the United States. This Service develops patriotism and tends to increase respect for the Government.

Today these ceremonies are carried by radio to homes throughout all the land and 9,000,000 people are listening in. Tomorrow the newspapers will bring to practically every family in the United States the information that this great structure has been dedicated now to the greatest mail service in all the world.

VETO OF THE INDEPENDENT OFFICES APPROPRIATION BILL

Mrs. JENCKES of Indiana. Mr. Speaker, I ask unanimous consent to extend any remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mrs. JENCKES of Indiana. Mr. Speaker, in order to clear up the misunderstanding concerning my vote on the independent offices bill, I desire to make this statement to the House of Representatives:

The Honorable James A. Farley, chairman of the National Democratic Committee, requested me to go to Bangor, Maine, to deliver the keynote speech at the Maine Democratic State Convention. While I was away, the independent offices bill was returned to the House for its consideration. My office immediately wired me at Bangor, requesting information as to how I desired to vote. I immediately telegraphed back to record my vote against the veto. My office reported this to the Democratic whip, and the Democratic whip's office advised that I was paired with Representative EUGENE CROWE, of Indiana, to vote against the veto; however, the message which the Democratic whip's office transmitted to the pair clerk was not carried out.

I quote the following letter from the clerk of the Democratic whip's office, which explains my position. I wish this to be placed in the RECORD, in order that my intentions to vote against the veto might be clearly understood:

APRIL 18, 1934.

Hon. VIRGINIA E. JENCKES, M.C.,
House of Representatives, Washington, D.C.

MY DEAR MRS. JENCKES: I wish to advise you concerning your vote on the independent offices bill on March 27, 1934.

Your office telephoned me and advised that you had telegraphed instructions to your office to pair you with a Member of the House of Representatives voting to override the President's veto. Immediately upon receipt of this telephonic message from your office I telephoned the floor to pair you with Representative EUGENE B. CROWE, who was voting on the independent offices bill to override the President's veto.

I notified your office that you would be paired. I did not know until the day following that the page who had received my message had not delivered the message to Representative CROWE and, therefore, your vote was not recorded.

I am writing you this letter as an indication of your intentions to vote to override the President's veto on the independent offices bill. You may refer to me any or all inquiries or you may use this letter as you see fit.

Sincerely yours,

JOHN M. HOGAN,
Clerk, Democratic Whip of the House of Representatives.

STATEMENT

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to make a statement. On page 10240, roll call 164, I am recorded as paired. If present, I would have voted "no."

On page 10242, roll call 165, I am recorded as paired. If present, I would have voted "no."

On page 10243, roll call 166, I am recorded as paired. If present, I would have voted "no."

INVESTIGATION UNDER HOUSE RESOLUTION 409

Mr. COCHRAN of Missouri. Mr. Speaker, I call up House Resolution 426 from the Committee on Accounts.

The Clerk read the resolution, as follows:

House Resolution 426

Resolved, That the expenses of the committee conducting the investigation authorized by House Resolution 409, not to exceed $7,500, including expenditures for the employment of experts, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee signed by the chairman thereof or by the chairman of the subcommittee thereof conducting the investigation, and approved by the Committee on Accounts.

With the following committee amendment:

After the period in line 9 insert a new section:

"SEC. 2. That the official committee reporters shall be used at all hearings held in the District of Columbia."

Mr. SNELL. Will the gentleman state what investigation that is?

Mr. COCHRAN of Missouri. By the Veterans' Committee of alleged mishandling of money by guardians of incompetent veterans.

Mr. SNELL. That is one of the 57 varieties of investigations.

Mr. COCHRAN of Missouri. If the gentleman had been present when the conditions were outlined to the Committee on Accounts, he would have no objection to this resolution. Regardless of how many investigations have been authorized, here is one that must be undertaken because of the nature of the charges that have been made. There is no other course the House could take. For instance, a preliminary investigation discloses there is about $200,000,000 belonging to 80,000 incompetent veterans in the hands of guardians; that these guardians have invested this money in worthless bonds and other securities and otherwise mishandled the funds in their care. The Veterans' Bureau records alone disclose that $11,000,000 have been illegally invested, we were informed. These men are helpless, they cannot take care of themselves, and there is sufficient evidence already not only to warrant this investigation but to probably send someone to jail. Probate judges are also involved.

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

Mr. COCHRAN of Missouri. Yes.

Mr. RICH. I think the amendment placed in the resolution is very fine employing the regular stenographers. Thereby you can save a great deal of money to the Government. I congratulate the gentleman.

Mr. COCHRAN of Missouri. Oh, that amendment has been added to every resolution that has been brought to the House during this Congress by the Committee on Accounts. It is our duty to protect the helpless veteran, many of whom are violently insane and in padded cells. Anyone who has violated the trust placed in them by defrauding these men, either directly or indirectly, belongs in the penitentiary. This committee is going to certain cities, and I predict that the facts will really arouse the public when true conditions are brought to light. Why, we were even informed that one guardian bought an automobile, with funds entrusted to him, for the purpose of taking his ward riding when the veteran was found to be so violent that he could not be moved from a padded cell.

We are also informed that foreign bonds, worthless, were bought by guardians from trust companies, by whom they were employed. How can we refuse to investigate such shocking conditions? Regardless of cost, the committee should go to the bottom of these charges.

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

Mr. COCHRAN of Missouri. Yes.

Mr. SNELL. Is there not some legislation on the books at the present time that provides how these guardians shall be appointed?

Mr. COCHRAN of Missouri. There is. There is a limitation, as I understand it, of five cases to any one individual, but there is no limitation on the number that a trust company may represent.

Mr. SNELL. Several years ago we had this whole subject up here. What was the result of that investigation?

Mr. COCHRAN of Missouri. Mr. BLANTON and Mr. RANKIN secured the removal of one of the District Commissioners. That investigation applied only to the District of Columbia, while this applies to the entire country. Legislation followed, but it is found now that even trust companies have not properly handled the money of their wards.

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

Mr. COCHRAN of Missouri. Yes.

Mr. RANKIN. The gentleman from New York [Mr. SNELL] knows that I conducted that investigation. That was in 1926. We found conditions that have been described on the floor of the House which we thought ought not to

exist, and we passed the present law that limits the number of guardianships an individual may have to five, but the Veterans' Administration and the administration then in power thought at that time that the limitation ought not to apply to trust companies. It has developed recently that some of these trust companies have invested this money in securities that have turned out to be worthless. This matter was called to my attention by a resolution that was introduced by the gentleman from Indiana [Mr. GRISWOLD]. That resolution went to the Committee on Rules. I got hold of General Hines, and, together with the Rules Committee, we had him to conduct the preliminary investigation. We found a condition, at least in Marion, Ind., that ought to be investigated, and we have gone as far here with the investigation as we think we can go. This is to send a subcommittee to these places where we find this trouble. So far as I am individually concerned, none of this money is going to be wasted; it is going to be used in the most economical manner, with a view to correcting a situation that we think ought to be straightened out without delay. We do not intend that these disabled veterans, these insane veterans, shall be mistreated if there is any possible way to stop it.

Mr. SNELL. Of course, everyone wants to protect them; but I do not believe that you can pass any law that will provide that none of the funds shall be invested in securities that are not worth their face value. No one has been smart enough to do that yet.

Mr. RANKIN. What we are after is to find out what is wrong, to find out what legislation can be passed to take care of the situation as best it can be taken care of. To be frank with the gentleman, I think that we can cure practically all this condition by legislation of the proper kind, but we must find out the facts. We want to know what we are doing. We do not want to injure anybody unnecessarily, but we want to get to the bottom of the thing and arrange for legislation that will cure it.

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

Mr. COCHRAN of Missouri. Yes.

Mr. PERKINS. We have found not only cases where bad investments have been made but we have found many cases where the guardians, knowing the securities they held were worthless, or practically worthless, transferred them into these estates for the purpose of getting the money out of the estate. It was not merely a case of making a bad invesment. It is having in their own portfolios worthless securities, knowing the character of them, and transferring them to the estate of the ward.

Mr. SNELL. If you know all about that, why investigate it further? Why not get together and pass the legislation?

Mr. PERKINS. If we knew all about it, we could pass laws to correct it, but we now have enough information to know that a complete investigation is necessary.

Mr. SNELL. Whether it is wide-spread or not, you ought to be able to suggest legislation and correct it without traveling all over the United States.

Mr. RANKIN. The subcommittee is not going to travel all over the United States. But we are going far enough to see that these helpless veterans are properly protected.

Mr. COCHRAN of Missouri. Mr. Speaker, I move the previous question on the resolution and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to, and the resolution as amended was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

THE GREAT CENTRAL VALLEY WATER SHORTAGE IN CALIFORNIA

Mr. STUBBS. Mr. Speaker, I ask unanimous consent to address the House out of order.

The SPEAKER. Is there objection?

There was no objection.

Mr. STUBBS. Mr. Speaker, I do this to draw the attention of the Congress to the Central Valley water project of the State of California, and ask their sympathetic consideration in the efforts we are making in California to gain from the P.W.A. some assistance, in order to save thousands of stricken families in my district whose lands are going back to the desert for lack of water.

The two counties most affected by this shortage of rainfall and lack of irrigation facilities are Kern and Tulare, as shown by the report of studies recently completed by the committee on water flow. In this report it was brought out that the lowering of the water table in this area will result in conditions so serious that steps must be taken in the near future if this now beautiful section of our country is to be held for the use of mankind, and not allowed to slip back into the wastes of the desert.

Last year the voters of California went to the polls and voted to ask the Federal Government as a State to come to their relief in the purchase of revenue bonds. The State Legislature of California put its stamp of approval on this project, and all other State interests are cooperating with their representatives in trying to make this tremendous project a reality.

May I call your attention to the fact that President Roosevelt in his message to Congress last Friday, June 8, shows that he is aware of the serious water shortage existing in the Western and Midwestern States at the present time, and is anxious to find some means of saving, for these many thousands of people in my State, and all the others affected, their farms and homes.

Gentlemen, I do not know first-hand the conditions existing in these other States, but I do know that whole cities and towns will be laid waste in the territory I represent if relief is not secured soon. And I refuse to see that happen. I have been unable to secure an allotment of money for the entire amount necessary for the completion of this project from the P.W.A., because of the tremendous amount needed, but I am asking and begging that I be granted at least the small amount needed to begin operations to redirect the flow of the mighty waters of the Sacramento River from the sea and down into this rich and fertile territory known as the "Great Central Valley of California."

I promise you that if I find the doors closed to me by these relief organizations I shall come to the Congress of the United States at the earliest opportunity to present a bill for the relief of the stricken people in the district I represent.

I thank you.

NATIONAL HOUSING, EMPLOYMENT, AND INSURANCE

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 9620) 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.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 9620, the National Housing Act, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. PRALL. Mr. Chairman, there is an amendment pending. Just prior to the rising of the Committee on yesterday I sent to the desk an amendment. I find it is not necessary to adopt that amendment, and I therefore ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. PRALL]?

There was no objection.

Mr. ELTSE of California. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ELTSE of California: On pages 47 and 48, strike out all of section 105.

Mr. ELTSE of California. Mr. Chairman, I spoke on the matter of striking out section 105 of this bill on yesterday. What I have to say will be partially by way of repetition of what I said then.

I call attention to the fact that under section 105 provision is made to afford insurance on amortized mortgages. The elimination of this section would not prevent those who are particularly interested in the clearance of slums, or low-cost housing projects, over which we had a battle yesterday on the amendment to insert the words "low-cost housing projects", from securing the relief or remedies in which they are interested. It does not affect the provisions of existing law to go forward with slum clearances and low-cost housing projects, but I call attention to the fact that the inclusion of this section in the bill is driving directly at the heart of building-and-loan associations throughout the United States, and, if passed with this provision in it, I prophesy that within a very few years, or a very few months, perhaps, the doors of many of the building and loan associations throughout the United States will be closed. I will give you my reasons for that. Under section 105 it is provided that these amortized mortgages may be made for new construction to the extent of 80 percent of the appraised value of the property. As the laws of the various States of the Union now stand, building and loan associations cannot make loans to the extent of 80 percent of the appraised value of the property. That is particularly true of the State of California and several other States. I realize that this 80 percent is the outside limit. I am satisfied—and any reasonable-minded man will come to the same conclusion—that other corporations will be organized to avail themselves of the opportunity of coming in under this act and making loans to the extent of 80 percent of the appraised value of the property. By so doing building-and-loan associations will be precluded from making loans on new construction. So much for that.

On the 60-percent clause of section 105, on existing homes, it so happens that many of the building and loan associations throughout the United States are now harassed and are having a difficult time in going forward. I will not say most of them are, but many of them are. The reason for that condition which confronts them is this: When they made their loans they made them on a 50-percent basis, or the amount allowed within the law. A 50-percent loan then made now constitutes about an 80- or 100-percent loan. So if this bill passes, these new corporations will be set up and they will come into the realty-investment field, or existing corporations which are now eligible under this section will come into the field of the existing building and loan associations and take away all of the cream of the deeds of trust and mortgage investments which the building-and-loan associations have, and withdraw all of those liquid assets from the existing building and loan associations. That will mean that the doors of many of the building and loan associations will be closed.

There is much agitation here for the substitution of title II of the bill as originally proposed. If that goes through, you can well rest assured that every building and loan association in the United States is going to be closed, and we will be doing a national mortgage business, loaning Federal funds, where private corporations and private individuals should have the field left to themselves.

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

Mr. Chairman, if we were to adopt the amendment offered by the gentleman from California [Mr. ELTSE] it would take the very heart out of this bill. Section 105 is the most important section of the bill, and the very idea of this whole program is to bring out of hiding, as it were, private funds not available at this time. We propose to insure mortgages in order to induce private lenders, who have long since left the market, to come back into the market. There are something like $21,000,000,000 of mortgages on homes in this country. Savings-and-loan associations carry about six or seven billions of that amount. It will not put the building-and-loan associations out of business. It will release new funds which are now frozen and not available to take care of the demand to renew mortgage loans coming due during the next 3 years. Something must be done to meet this situation or real-estate values throughout the country will crash because of wholesale foreclosures. To adopt the gentleman's amendment would make all of this impossible of fulfillment and take the very heart out of the whole proposition.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman.

Mr. MARTIN of Oregon. As a matter of fact, have not every one of these bills—the President's bill, Mr. McDUFFIE's bill, and the Steagall bill—included that insurance feature?

Mr. PRALL. Yes, sir.

Mr. MARTIN of Oregon. Every bill that has been proposed included it?

Mr. PRALL. Yes, sir.

Mr. MARTIN of Oregon. To increase the flow of money?

Mr. PRALL. Yes. It will coax back into the mortgage-investment market investors who have during the depression left it because of the depreciation in real-estate values.

Mr. MARTIN of Oregon. And get that money back into the market?

Mr. PRALL. Yes; it will aid savings-and-loan associations, savings banks, and other investors to meet this acute situation now confronting us.

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

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

Mr. Chairman and members of the Committee, I do not believe that the gentleman who offered the amendment really means that the building-and-loan associations of America will be put out of business if this bill, in its present form, is enacted into law.

Mr. ELTSE of California. Mr. Chairman, having referred to me, will the gentleman yield?

Mr. DUNN. I shall be pleased to yield to the gentleman when I finish my statement.

Mr. Chairman, if every building-and-loan association in the United States were to be put out of business by having the bill, which is now under consideration, so worded that it will insure the eradication of the slum districts of the country, then let every building-and-loan association in the United States go out of existence.

The Federal Government is spending millions of dollars for the purpose of wiping out crime. One of the best ways to wipe out crime is to eradicate the slum districts. The way to eradicate the slum districts is to eradicate the sweatshops; and the way to eradicate sweatshops is to give men and women who are able to work a job at a living wage.

I maintain that if we were to spend $25,000,000,000 for the purpose of wiping out the slum districts it would be an infinitesimal sum compared to the benefits which would be derived from it. Let us support this meritorious bill.

Mr. ELTSE of California. Mr. Chairman, will the gentleman from Pennsylvania yield to the gentleman from California?

Mr. DUNN. I yield.

Mr. ELTSE of California. I may say to the gentleman from Pennsylvania that when I rise to speak on the floor of the House I do so out of conviction, and have something to say. I do not take the floor of the House to express myself on things about which I have no belief.

Mr. DUNN. I believe the gentleman from California is sincere in his statements concerning the bill, but what I said pertaining to the slum districts I believe to be the truth. [Applause.]

The CHAIRMAN. The question is on the amendment of the gentleman from California.

The amendment was rejected.

Mr. HOLLISTER. Mr. Chairman. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLLISTER: Page 47, line 19, after the word "homes" insert "and no mortgage shall be insured on a low-cost housing project in an amount in excess of $5,000,000"; and in line 20, after the word "homes", insert "and low-cost housing projects"; and in line 24, after the word "homes", insert "and low-cost housing projects."

Mr. HOLLISTER. Mr. Chairman, when the committee yesterday amended the bill by making low-cost housing projects subject to mortgage insurance, although I voted against it because I wished to support the bill as reported, I am frank to say I had considerable sympathy with the amendment. I have the greatest sympathy in the world with low-cost housing projects and with slum clearance. The only reason that I had some hesitation about seeing that provision included in this bill was because there was apparently no limitation on the amount of insurance which might go into this kind of project.

I want to point out to the members of the committee that the bill contains certain limitations on the amount of insurance which the insurance corporation can write. The limitation is now $1,000,000,000 on existing homes and is now $1,000,000,000 on new homes. If no further change is made, this $1,000,000,000 limitation will attach to home insurance, but there will be no limitation whatsoever on insurance on low-cost housing projects.

It was the feeling of the committee that Federal insurance of mortgages was a highly experimental idea, something with which we should go rather slowly, and none of us wanted to bring in the bill the way it was originally introduced, which permitted insurance without limitation on new construction, because it might be $5,000,000,000, it might be $10,000,000,000, or it might be $15,000,000,000. We preferred to place a $1,000,000,000 limitation on the credit liability of the Federal Treasury on existing construction and $1,000,000,000 on new construction.

If we place no limitation on the insuring of low-cost housing projects, we are going to be faced with a situation where we may find low-cost housing insurance entirely eating up the insurance on small homes. I am sure no Member wants to see that happen.

By my amendment I place the insurance limitation at $5,000,000 on a low-cost housing project, because it seems to me that $5,000,000 is an adequate sum with which each one of these units may be carried on. In some large cities there might be several of these units, even 5, or perhaps 10.

I read in the morning papers a statement to the effect that the Public Works Administration had turned down two low-cost housing projects for Greater New York, one of $44,000,000, the other of $46,000,000. Undoubtedly these projects are greatly needed in the city of New York, but certainly we do not want to take $100,000,000 of a $1,000,000,000 limitation and put it into one city only. As I said yesterday, and as has been repeated over and over again, the chief idea of this bill is to get people to work, to stimulate the building industry. We do not want to do all the stimulating in one place; it should be general throughout the country.

The whole theory of Federal mortgage insurance is that of providing a reservoir of capital to be used wherever it is most needed and thus stimulate the general construction industry around the country.

It seems to me that if we make a $5,000,000 limitation on the insurance of low-cost housing projects, we have been fair to those who wish to include slum clearance and yet have avoided the danger of having this Federal insurance all directed toward one part of the country. It seems to me that this limitation should be included in the bill.

Mr. O'CONNOR. Will the gentleman yield?

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

Mr. O'CONNOR. As I understand it, as the language now appears at the bottom of page 47, there is no limitation on the amount that could be insured as to low-cost housing?

Mr. HOLLISTER. That is correct. My amendment inserts that feature.

Mr. O'CONNOR. I understood the gentleman to say that these low-cost housing projects would interfere with homes.

Mr. HOLLISTER. I beg the gentleman's pardon. He misunderstood me.

Mr. O'CONNOR. That being so, as the language now stands, no low-cost housing project would interfere with the billion that may be applied to homes?

Mr. HOLLISTER. Yes; but the gentleman does not realize that if we put in no limitation as to the low-cost housing projects we may find the Federal Treasury insuring a billion on homes and two or three billions on low-cost housing projects. What the committee wanted to do was to put a limit on both of them.

Mr. O'CONNOR. I do not think the committee had any such intention when the committee struck out the low-cost housing projects and included only homes in the bill.

Mr. HOLLISTER. And now I am perfecting it so the limitation will be there.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. HOLLISTER].

The question was taken; and on a division (demanded by Mr. HOLLISTER) there were—ayes 68, noes 42.

So the amendment was agreed to.

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

The Clerk read as follows:

Amendment by Mr. SABATH: On page 47, line 6, strike out the word "homes" and insert in lieu thereof the word "buildings."

Mr. SABATH. Mr. Chairman, I am of the opinion that if the committee had given some thought to existing conditions they would have inserted or used the word "buildings" in lieu of the word "homes." Section 105 provides that upon terms and rules to be determined by it, the Corporation is authorized to insure amortized mortgages and like liens on owner-occupied homes. I desire that changed to read "on owner-occupied buildings."

As the situation stands now under the present law, we have hundreds of thousands of owners who own a building, the front of which is utilized or occupied by a store while the second and third floor is occupied by the owner or tenant. Such owner is precluded from obtaining a loan upon the property, although it is his home. It has been held that that is a commercial building and not a home and as such the owner could not secure relief.

I feel that these people should not be discriminated against. It was not the intention of the House to preclude the small-property owner who by chance had a little store 20 by 40 in the front part and lived in the rear of the building or above the store. As I say, it was not intended that that individual should be precluded from the relief which Congress intended he should have.

Mr. REILLY. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Wisconsin.

Mr. REILLY. Does not the gentleman think we better put some limitation in there as to the value of the building? It might be $20,000 or $40,000.

Mr. SABATH. The limitation is already in there. In my desire to help these owners who are being discriminated against and prevented from receiving relief, I am satisfied at this time with the provision. I advocated originally an amendment which would have increased the limitation to $40,000. But for the present, and as I say, in my great desire to help hundreds of thousands of men and women who own these small buildings, and assist them in their relief to the same extent as others are being benefited, I have offered only this amendment at the present time.

Mr. DUNN. Will the gentleman yield?

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

Mr. DUNN. Is it not a fact that insurance companies consider a building with two or three families as a private home?

Mr. SABATH. The insurance companies do, but the Reconstruction Finance Corporation has ruled against that interpretation and they will not make a loan.

Mr. McFARLANE. Will the gentleman yield?

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

Mr. McFARLANE. I have a letter from Mr. Peiker, of the Federal Home Loan Board, this morning, sustaining the contention of the gentleman in this regard. I think the amendment ought to be adopted.

Mr. PRALL. Will the gentleman yield?

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

Mr. PRALL. What gives the gentleman the idea that a building occupied by the owner and containing a store could not be construed as his home and be eligible under this bill?

Mr. SABATH. It is not so construed by the Reconstruction Finance Corporation, and they have refused to make loans on such premises.

Mr. PRALL. That has nothing to do with the matter.

Mr. SABATH. The Board has refused to make loans on buildings of that character.

Mr. O'CONNOR. Will the gentleman yield?

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

Mr. O'CONNOR. I sympathize partly with what the gentleman has in mind, if the building is occupied principally as a home, but this bill has nothing to do with making loans to home owners. What the gentleman has in mind undoubtedly is the interpretation by the Home Owners' Loan Corporation. All this bill does is to insure mortgages on such premises.

Mr. SABATH. I am trying to see to it that under this bill they may also insure a mortgage on a building which is partially used as a home and partially for commercial purposes.

Mr. O'CONNOR. It ought to be used principally as a home, and what the gentleman should direct his interest to is amending the Home Owners' Loan Act.

Mr. SABATH. I have introduced a bill covering that matter, but I have not been able thus far to secure its consideration. I do not want to see continued in this bill the opportunity for discrimination that has resulted from the rulings of the Reconstruction Finance Corporation as well as the Home Owners' Loan Corporation.

I think this amendment should be agreed to by the Committee, and I may assure the Members that it will be helpful and beneficial to the people whom they desire to help.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. O'MALLEY. Do not most of these small buildings in which a family lives have little stores in competition with the chain stores?

Mr. SABATH. That is what they are occupied for.

[Here the gavel fell.]

Mr. SABATH. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

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

Mr. SABATH. Yes.

Mr. PATMAN. If the gentleman will change his amendment so that it will read "used principally as a home", or put in a limitation of that kind, I think it would be all right, but suppose one lived in the corner of a $1,000,000 building, the gentleman does not think he should be permitted to get a loan on the building as a home?

Mr. SABATH. No; and there is a limitation of $20,000 here in any event.

Mr. PATMAN. Does that limitation of $20,000 apply under the gentleman's amendment? If it does, I am for the amendment.

Mr. SABATH. Yes; and it would then read "on owner-occupied buildings." The building must be occupied by him, and there is a limitation of $20,000.

Mr. O'CONNOR. If the gentleman will permit, a man may have a factory or a blacksmith shop or an ice house and live upstairs and surely the gentleman has not such a situation as that in mind.

Mr. SABATH. I have in mind a situation where the man lives in the building, and he might have a delicatessen in the front part and live in the back, or he may be a shoemaker or a tailor or a baker and have a little store downstairs while he lives in the rear of the building or above the store. Such a man has been ruled against by the Home Owners' Loan Corporation and he cannot now obtain a loan. If this amendment is not adopted, he will be foreclosed from having his mortgage guaranteed the same as other people similarly situated.

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

Mr. SABATH. Yes.

Mr. PRALL. If the gentleman will read title II, on page 54, he will find that in the renovizing program, business properties are included, and there is no reason to believe that insurance will not be carried on a building occupied by the owner just because it has a store in it, because that is his home, even though the other part of the building may cover some kind of shop.

Mr. SABATH. Then how can it hurt to put in the provision I have suggested? I am not asking anything that is unreasonable, and I think if the gentleman from New York would give this real consideration he would approve the amendment.

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

Mr. SABATH. I yield.

Mr. STEAGALL. If I heard the reading of the amendment correctly, the gentleman adds "owner-occupied buildings" to the language.

Mr. SABATH. That is correct.

Mr. STEAGALL. I want to ask the gentleman if, under that language, any store or office building or any type of building which was used and occupied by the owner would be covered by the amendment. Under the gentleman's language he does not restrict it to such uses as would constitute it a home in any sense. It might be a storehouse, or the occupant might use it purely for the sale of merchandise and still it would be an owner-occupied building under the law.

Mr. SABATH. No such construction could be placed upon it, because it must be occupied by him as his home.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield there?

Mr. SABATH. I yield.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Chairman, I ask that the gentleman from Illinois may have 2 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Henry L. Doherty has a 60-story business building on Wall Street and lives on the top floor.

Mr. SABATH. I am amazed that my friend and well-informed colleague does not realize that there is a limitation here of $20,000.

Mr. O'CONNOR. I realize that.

Mr. SABATH. So this could not apply to him.

Mr. O'CONNOR. But a man might have a little office building and live on the top floor.

Mr. SABATH. No; this only applies to homes that, in part, are used by the owner for a little shop or as a place of business, and cannot exceed $20,000.

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

Mr. SABATH. I yield.

Mr. DONDERO. I am wondering if the gentleman is not mistaken about his interpretation of the language in the home owners' loan bill. Any building occupied as a home, up to four families, and a business is now included and the owner can get a loan from the Home Owners' Loan Corporation today.

Mr. SABATH. No; he cannot. I have had that matter up many times in the city of Chicago, and they have refused to make any loan to such owners.

Mr. DONDERO. Where there is a business in connection with such a building?

Mr. SABATH. Yes.

Mr. BOILEAU. May I suggest to the gentleman that it would meet his idea if the bill under consideration at the present time were amended by simply adding the words

"apartment buildings." Does not the gentleman think that would take care of the situation he has in mind?

Mr. SABATH. I may say to the gentleman that I am not here interested in apartment buildings. I am interested in the owner who has a building wherein he has his place of business and that he also occupies as his residence, such as we find outside of the main business sections. I have not in mind only the city of Chicago, New York, and other large cities, but we find thousands upon thousands of such buildings in the smaller cities in every section of the United States.

Mr. O'MALLEY. How are such places taxed in local taxation? Are they taxed as commercial places?

Mr. SABATH. As a rule they are.

Mr. Chairman, this is a meritorious amendment and should be enacted, and, knowing the desire of the Members to do the right thing for deserving people, I know they will vote in favor of the amendment to give relief to the most industrious and frugal people in the United States.

[Here the gavel fell.]

Mr. McFARLANE. Mr. Chairman, this is a very important amendment ,and I believe that if the Membership of the House understands it you will adopt it. The Home Owners' Loan Corporation Board here in Washington have held that such a building where the party resides upstairs and uses a part of the building for some business he is carrying on at the same place, that that building is not eligible for a loan because of the property being classed as "business property" rather than as a "home" under the definition under the original Home Owners' Loan Act.

I received a letter this morning from Mr. Peiker, deputy general manager of the Home Owners' Loan Corporation, who has charge of this matter here in Washington, saying that they have held that where a person uses a substantial part of the building for business purposes, even though he lives upstairs and uses a part of the building for a picture show or a grocery store or a delicatessen, that party is not eligible for a loan. I think it was the intention in the Home Owners' Loan Act to make such a place eligible for a loan. There are hundreds of thousands of little buildings eligible for a loan if you adopt this amendment. They are being foreclosed now and the owners being turned out in the street because some such business is being conducted in the building.

Mr. O'MALLEY. I know an instance where an owner uses two rooms in his house to make cigars, and they have classed it as a cigar factory. He lives there, but when he applied for a loan it was turned down because they held it was a cigar factory.

Mr. CONNERY. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. CONNERY. The way the language reads now, if a man had a home of his own and built a little variety store below occupying one room he could not get a loan.

Mr. McFARLANE. That is right.

Mr. DONDERO. Will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. DONDERO. Might we not amend the amendment of the gentleman from Illinois and clarify it by adding the words "occupied or partly occupied as a home or dwelling"?

Mr. McFARLANE. I think that would be agreeable, and would clarify the amendment.

Mr. PATMAN. Will the gentleman yield?

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

Mr. PATMAN. If the Government is willing to insure a loan up to $20,000 for the purposes mentioned, what difference does it make if he does have a business in that building?

Mr. McFARLANE. I cannot see that it makes any difference, and I hope the committee will adopt the amendment, because there are thousands that will lose the benefit of this act if this amendment is not adopted.

Mr. CONNERY. Is there a limitation in the provision?

Mr. McFARLANE. Yes, sir. A limitation of $20,000. However, I favor raising this limitation to at least $30,000, so that others may receive the benefit of this act. The letter of Mr. Harry C. Peiker, above referred to, reads as follows:

HOME OWNERS' LOAN CORPORATION,
Washington, June 12, 1934.

Re W. J. Wilke application, Graham, Tex.

Hon. W. D. MACFARLANE,
Member of Congress,
House Office Building, Washington, D.C.

MY DEAR CONGRESSMAN MACFARLANE: I have your letter of June 9, enclosing letter from the above party.

This loan was disapproved by our State office on account of its ineligibility under the Home Owners' Loan Act. The act itself did not contemplate loans on business properties, but was passed for the relief of distressed home owners who were in imminent danger of losing their homes. Our Board, however, has ruled that where a small part of the property was being used for business purposes, the loan could be considered. The test of eligibility under such conditions is whether or not the business is incidental to the residence, in which case, it would be eligible; or whether the residence is incidental to the business or a substantial part of the property used for business purposes, in which case it would be ineligible. Our loans, of course, are all passed on and handled by our State organizations working under the rules and regulations promulgated by the Board here in Washington. Our State office has decided that under these rules this loan would not be eligible and from the facts we have in connection with it, we believe their decision to be correct.

As per your request, we are returning you Mr. Wilke's letter.

Very truly yours,

HARRY C. PEIKER,
Deputy General Manager.

Mr. DONDERO. Mr. Chairman, I offer an amendment to the amendment. After the word "building", insert "occupied partly or in whole for residential purposes by the owner."

The Clerk read as follows:

Amendment by Mr. DONDERO to the amendment offered by Mr. SABATH: After the word "buildings", insert the words "occupied wholly or in part as a dwelling by the owner."

The CHAIRMAN. Is that offered as a substitute for the amendment?

Mr. DONDERO. No; that is offered as an amendment to the amendment offered by the gentleman from Illinois.

The CHAIRMAN. The Clerk will again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SABATH: Page 47, line 6, strike out the word "homes" and insert in lieu thereof the word "buildings."

Amendment to the amendment offered by Mr. DONDERO: After the word "buildings" insert the words "occupied wholly or in part as a dwelling by the owner."

Mr. SABATH. Mr. Chairman, I accept the amendment to the amendment.

Mr. PRALL. Mr. Chairman, I rise in opposition to the amendment and call the attention of the House to the fact that under the amendment to the amendment which has just been offered any building could be partly occupied, be it a factory, hotel, or any other type of building. It could be partly occupied by the owner living in it and would then be entitled to the benefits of this act.

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

Mr. PRALL. Yes; I yield to the gentleman.

Mr. BOILEAU. Some time ago when we were considering the bill to make loans to private industry, I called the attention of the gentleman to the fact that apartment buildings were about the only type of buildings not provided for in one of these various loaning bills. Would the gentleman state whether or not, in his opinion, the amendment to this bill offered yesterday and agreed to with reference to low-cost housing would include small apartment buildings?

Mr. PRALL. I would say to the gentleman that a small apartment or a large apartment building providing cheap rents would be so considered. I do not oppose an amendment to this bill which would provide insurance on a mortgage for any person who has a small home or a small building, a part of which may be occupied as a store or for small business, but under the gentleman's amendment to the amendment a person could set aside any part of a building,

regardless of its size or character, and call it his home and be entitled to relief.

Mr. DONDERO. Oh, I think the gentleman overlooks the fact that in line 14 the limitation is fixed that it could not exceed in appraised value more than $20,000.

Mr. PRALL. The gentleman is correct.

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

Mr. PRALL. Yes; I yield to the gentleman.

Mr. ELLENBOGEN. May I ask the gentleman whether he will change the last word of his amendment to the amendment to read "home" and not dwelling, so that it would have to be occupied in whole or in part as the owner's home?

Mr. DONDERO. That was the intention.

Mr. ELLENBOGEN. It does not say so. I think it should read so as to be occupied in part as the owner's home and not dwelling.

Mr. O'MALLEY. Yes. A man might move a cot into a building and then try to get a loan on his building.

Mr. PRALL. I think the $20,000 limitation would prevent that.

Mr. SABATH. Does the gentleman from New York accept the amendment?

Mr. PRALL. Yes; the gentleman's amendment is acceptable to me.

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

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Illinois, as amended.

The amendment as amended was agreed to.

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

The Clerk read as follows:

Amendment by Mr. ELLENBOGEN: Page 47, line 25, after the words "limited to", strike out "a similar amount" and insert in lieu thereof the following: "an aggregate principal obligation on all such mortgages of not to exceed 10 times the aggregate par value of the corporation's outstanding capital stock."

Mr. ELLENBOGEN. Mr. Chairman, as section 105 now reads it provides that the Home Credit Insurance Corporation may insure existing mortgages up to five times the outstanding capital stock, which means five times $200,000,000, or $1,000,000,000, and may insure mortgages on newly constructed homes also to the extent of $1,000,000,000, so that under the section as it now is the insurance on existing homes is limited to $1,000,000,000 and the insurance on new homes is also limited to $1,000,000,000.

The purpose of the bill is to give employment, particularly to the three and a half million unemployed building-trades people, and how can we give employment to them if you limit the amount to be expended on insured mortgages for new construction to $1,000,000,000, particularly when under the amendment that was offered today and which was accepted, the $1,000,000,000 includes low-cost housing projects, so that the amount available for new construction, as the section now reads, is even smaller than it was when the committee brought the bill into the House. If we mean what we say, if this is to be a housing bill, we should extend the amount available for new construction to at least $2,000,000,000.

On behalf of the unemployed workers of the building industry, I ask you to vote for this amendment.

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

This housing bill is primarily intended, as the gentleman has just said, to promote employment, particularly in the building trades. I come from a county which is probably as much affected as any other county in this country. Bergen County in New Jersey presents the second largest labor problem in the State and the twenty-second largest problem in the United States. Many men skilled in the building trades are now working for the F.E.R.A. for food plus 10 cents an hour. They are bricklayers, carpenters, plumbers, masons, men who have done so much to build up my section of the country. A man, whether he works for the Government or for another, should be paid cash for his work. No man should be required to accept food instead. The practice must be ended. Let us pay him in money until we revive employment. And now I am wondering whether insuring existing mortgages under section 105 is going to aid in creating new building construction and therefore employment. If we permit insurance of present outstanding mortgages up to 60 percent of the appraised value of properties worth $20,000, are we promoting new building operations intended to afford employment for our people, which is so much needed at the present time? As a matter of fact, I do not see how this insurance provision is going to be very helpful for any employment purposes whatever.

In New Jersey we have a great many building-and-loan associations. They have done probably more to build up that State than any other institution. They are not in a position where they require insurance. There are 1,553 building-and-loan associations in that State. The membership of these associations amounts to as many as 985,470—almost a million shareholders. There are, according to figures, more of these associations in New Jersey than in any other State of the Union except one. In Bergen County, where I reside, we have more building-and-loan associations than any other county in New Jersey save only one.

If this insurance provision were omitted, I believe it would have the tendency to leave unmolested capital funds which might be attracted to mortgages on new buildings and homes. There probably then would not result the competition with building-and-loan investments that the provision for insuring existing mortgages may bring about to the detriment of new construction and, therefore, the reemployment of skilled mechanics and those versed in the building trades.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. KENNEY. I yield.

Mr. ELLENBOGEN. It is a fact, is it not, that the original bill as it came into the House had a limitation of $1,000,000,000 on existing mortgages and no limitation on new construction, and that the limitation of $1,000,000,000 on new construction was put in by the committee?

Mr. KENNEY. The gentleman is correct. The primary purpose, of course, is to promote employment in the building trades. That is the most worthy of the purposes of the bill. If this provision for insurance is kept in the bill, it will increase the cost of construction. The cost of the insurance will be borne by the property owner who undertakes to build a new home. It will add to that. It has been the cost of financing homes that has been the greatest burden upon the people in my locality, because in other years they were required to pay very heavy financing charges. The cost of home building should not be increased; rather, it should be kept at a minimum as an aid to unemployment. I am, therefore, wondering if it would not be prudent for the committee to offer an amendment to strike out and eliminate altogether this section of the bill.

Mr. BOLAND. Will the gentleman yield?

Mr. KENNEY. I yield.

Mr. BOLAND. What I want to try to get straight is how does this clause have anything to do with putting skilled labor to work. In what way does it help the building trades?

Mr. KENNEY. It will add to the cost of new building, because the owner will have to pay for that insurance, which I claim is unnecessary. The building-and-loan companies and other lending institutions are in a position to protect themselves on all these loans. Then again, if we insure existing mortgages, the people who otherwise might invest in building-and-loan shares and thus aid new construction, would be invited to traffic in outstanding existing mortgages, with the result that the money available would be lost for the purposes of new building construction.

Mr. BOLAND. In other words, it would act more to retard putting men to work than to assist?

Mr. KENNEY. It seems so.

[Here the gavel fell.]

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

I simply wish to point out to the Members that there is a limitation on the credit of the United States. Whether two billion, three billion, four billion, five billion, or whatever billion it may be, will seriously impair this credit, none of us is able to say. This is not a bill having but one feature. This bill does not solely contain the mortgage feature. This is not a double-barreled or a triple-barreled but rather it is a quadruple-barreled bill. We provide for pumping out as much as five times $200,000,000 for small loans, renovating loans, of $2,000 each. We provide an additional billion for the Home Owners' Loan Corporation; an additional half billion to buy preferred stock in building-and-loan associations, which they shall in turn put into new construction. We provide for the insurance of building-and-loan association deposits. We provide for mortgage insurance. All of those features are for the purpose of making money available to go into new construction. We felt, in the committee, that there should be a definite and distinct limitation on the mortgage feature, because everyone will admit that the Federal insurance of mortgages is a highly experimental procedure. Is it not better to stay within a reasonable limit until we have a chance to see which one of these features or perhaps which two or three of them will do the work, rather than taking the lid off too far?

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. ELLENBOGEN. It is a fact, is it not, that in normal times the construction industry spends about $11,000,000,000, and at the present time about $3,000,000,000? If you limit new construction to $1,000,000,000, how can you have a great deal of employment?

Mr. HOLLISTER. The gentleman misunderstands the bill completely.

Mr. ELLENBOGEN. I do not misunderstand the bill.

Mr. HOLLISTER. I have tried to point out to the gentleman that this is but one feature of the bill; that we are not limiting the bill to $1,000,000,000. There are other provisions in the bill which will pump money out into the building industry.

Mr. ELLENBOGEN. I understand that fully, but if the gentleman is speaking about repairs, in normal times the repairs amount to only about $5 out of——

Mr. HOLLISTER. I yield for a question only. I am trying to point out to the gentleman that he has stated we are limiting new construction to $1,000,000,000.

Mr. ELLENBOGEN. In this part of the bill?

Mr. HOLLISTER. The gentleman will please not interrupt me. We have four or five features in this bill.

Mr. ELLENBOGEN. I understand that.

Mr. HOLLISTER. In each one of these features we provide for new money to go into construction. While it is up to the members of this committee, what I am trying to point out is that if we were to allow any one of these features involving Government credit to go too far we would face a dangerous situation. So we should put a reasonable limit on any such feature. It is, of course, for the members of this committee to decide what a reasonable limit is; but the members of the Banking and Currency Committee felt that with the other features we have put in the bill the Government is doing a great deal to help building. It is my belief that we had better retain this limit until we have some actuarial figures; some figures based upon experience to see how the plan works out.

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

Mr. HOLLISTER. I yield.

Mr. ELLENBOGEN. Does not the gentleman believe that a limitation on new construction of $2,000,000,000 is rather low and not unreasonable?

Mr. HOLLISTER. The gentleman still fails to understand what I have said. I am not limiting new construction.

Mr. ELLENBOGEN. I am talking about this feature of the bill. I know there are several others.

Mr. HOLLISTER. I think that $1,000,000,000 is adequate, or I would not be standing here on my feet saying so.

Mr. ELLENBOGEN. I do not agree with the gentleman.

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

Mr. Chairman, I am in sympathy with the general purpose sought to be accomplished by the gentleman from Pennsylvania [Mr. ELLENBOGEN], but if the gentleman's amendment is not adopted, I propose to offer an amendment in line 23 on page 47, striking out the language "and insurance of mortgages on homes constructed after the passage of this act shall be limited to a similar amount."

This not only accomplishes the purpose the gentleman from Pennsylvania has in mind, but it brings the bill in line with the original Fletcher bill which carried no limitation on future building. I hope the gentleman's amendment will be defeated, so I may take off all limitation and bring this in line with the Fletcher bill.

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

Mr. CONNERY. I yield.

Mr. ELLENBOGEN. The gentleman from Massachusetts believes that even a limitation of $2,000,000,000 is too great a limitation, that there should be no limitation on new construction at all. I believe the gentleman is mistaken. I believe we should have some limitation, and I hope the committee will support this limitation of $2,000,000,000.

Mr. CONNERY. The reason I want to strike out the limitation is because the Fletcher bill did not put any limitation on new construction. That will be well taken care of if we follow the lines of the Fletcher bill.

Mr. ELLENBOGEN. A limitation will be placed on it before the bill finally becomes law.

Mr. CONNERY. Even so, I prefer to have no limitation in it now. I want to see the bill passed as it was originally introduced—the Fletcher bill, the bill the President has intimated that he favors.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. HANCOCK of North Carolina. Will the gentleman give us the benefit of such knowledge as he may have as to what would be the extent of the insurance under this bill if this provision is stricken out?

Mr. CONNERY. I do not know the exact amount. I am favoring the Fletcher bill, which the President and labor say they want; and I am for anything that will bring this legislation in line with the Fletcher bill.

Mr. HANCOCK of North Carolina. Does the gentleman understand that if we strike out this limitation it might involve the Government in an ultimate liability of $10,000,000,000?

Mr. CONNERY. I am not worrying about what it will involve the Government in on that score. I know when the gentleman from Alabama [Mr. STEAGALL] with the House conferees and the conferees of the Senate get together the Government will be well taken care of and will not be involved in any trouble along the lines that the gentleman may fear.

Mr. HANCOCK of North Carolina. We certainly hope the Government will be well taken care of.

Mr. CONNERY. It will be well taken care of by the conferees.

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

Mr. CONNERY. I yield.

Mr. MARTIN of Colorado. The language of the Fletcher bill and the Steagall bill as originally introduced in the House are not the same.

Mr. CONNERY. It is my understanding the language of the original bills was the same.

Mr. MARTIN of Colorado. The original bill before the Committee on Banking and Currency and the Fletcher bill are just the same, and constitute the bill the President wants.

Mr. CONNERY. Yes.

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

Mr. CONNERY. I yield.

Mr. CAVICCHIA. Does not the gentleman think that inasmuch as Congress will again be in session less than 7 months from now that $1,000,000,000, which is a very large sum of money, is enough with which to work during the balance of the year, and that then if more is needed they can come back and ask for more? This was the situation with respect to the R.F.C., the Home Owners' Loan Corporation, and the Federal land bank.

Mr. CONNERY. That may sound plausible, but I prefer to leave it in the hands of the President on this bill.

Mr. CAVICCHIA. Let us find out how far $1,000,000,000 will go toward getting men to work.

Mr. CONNERY. The President says he wants the Fletcher bill, and I am for what the President wants in this bill.

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

Mr. CONNERY. I yield.

Mr. DUNN. Will not the gentleman agree that 4 percent of the people of the United States owning 96 percent of the wealth of the United States is a limitation?

Mr. CONNERY. Yes. We have had that limitation thoroughly explained before the Committee on Labor, as the gentleman from Pennsylvania, a member of our committee, well knows.

[Here the gavel fell.]

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

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. CONNERY: Page 47, line 23, after the word "stock", strike out the remaining language of lines 23 and 24 down to and including the word "amount."

Mr. CONNERY. Mr. Chairman, this is simply what I explained a moment ago. I desire to bring this bill back to the Fletcher bill, which is in line with what the President and labor want.

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

The question was taken; and on a division (demanded by Mr. HANCOCK of North Carolina) there were—ayes 27, noes 47.

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

Tellers were refused.

The amendment was rejected.

The Clerk read as follows:

SEC. 106. In order to make available to the Corporation adequate resources for the making of loans and advances under the provisions of section 104 of this act, and for the purposes of section 105 of this act, the Corporation is authorized and empowered, with the approval of the Secretary of the Treasury, to issue and have outstanding its notes, debentures, bonds, or other obligations; such obligations to have such maturities, bear such rates of interest, and contain such other terms and conditions as the Secretary of the Treasury shall approve. Such obligations shall be fully and unconditionally guaranteed, both as to principal and interest, by the United States, and shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, or by any political subdivision of either. The Secretary of the Treasury is authorized to purchase such obligations and for that purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the Corporation's obligations hereunder.

Mr. CELLER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CELLER: On page 48, line 14, after the word "States", strike out the words "and shall be exempt, both as to principal and interest, by the", and strike out lines 15, 16, 17, and strike out, on line 18, the words "of either."

Mr. CELLER. Mr. Chairman, I offer this amendment in a pro forma way and I shall withdraw it at the conclusion of my remarks. It deletes from the housing bill all tax-exemptions on the bonds and securities issuable thereunder.

I offer this amendment to sound a warning that we have been issuing tax-exempt securities to such an extent that the Nation is facing the manifest danger of setting up a highly special and privileged class that will be wholly exempt from taxation. This bill adds to the great amount of tax-exempt securities already existing, which I believe is approaching some $40,000,000,000. This bill involves no more and no less than an authorization of tax-exempt bonds to the extent of $3,800,000,000.

The Home Credit Insurance Corporation provisions contemplate bonds up to $2,200,000,000. The home-loan bonds are increased from $2,000,000,000 to $3,500,000,000. The Federal Savings and Loan Insurance Corporation section authorizes $100,000,000 of bonds. To the already vast amount of tax-exempt bonds you now add three billion, eight hundred million more. Where and when will you place the limit?

We have for consideration in the Judiciary Committee a constitutional amendment which I offered to preclude in the future the issuance of tax-exempt securities, either by the Federal Government or by the 48 States. This amendment has the whole-hearted approval of the Secretary of the Treasury, Mr. Morgenthau, and the administration. Similar bills have had the approval of previous administrations, including Secretary of the Treasury Mills and Secretary of the Treasury Mellon. Yet we seem not to be able to get to first base with any abolition of the privilege of tax exemption. We are the only country that permits such exemption.

I warn the House that it is incumbent upon us to cease the issuance of this type of security. We lose upward of probably $350,000,000 of revenue every year, and, as I said before, we are allowing a privileged class to go unwhipped, as it were, of taxes. It must stop. It is an evil—a palpable evil. If not scotched it will destroy our Government. It creates discrimination among taxpayers. It creates much discontent and social unrest.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. WEIDEMAN. I wonder if the gentleman is aware of a petition by the gentleman from Texas which prevents the issuance of more tax-exempt bonds, now on the Speaker's desk? If the gentleman would sign the petition, it would be the shortest way.

Mr. CELLER. The question of signing petitions and voting on measures in the regular way are two entirely different things.

May I call the attention of the House to the fact that one of the main causes of the French Revolution was the setting up of privileged tax-exempt classes. First, it was stated that the members of the clergy in France should be exempt from taxation. Then the nobles received exemption, and then the lawyers in France received exemption, and so on, until only a very small portion of the population of France paid any taxes whatsoever. The result you well know.

I do not presume that there will be anything like a French Revolution in this country, but certainly it is quite undemocratic to invade the principle that our taxes shall be placed upon those who have the greatest or the greater ability to pay. The ability-to-pay principle is utterly destroyed. If we keep on issuing these tax-exempt securities without let or hindrance, we will destroy this basis of public revenue and create a social evil of first magnitude. It very improperly and unjustly casts the greater part of the tax burden upon earned incomes and gives more or less immunity to unearned incomes.

It has been said that if we take away this exemption the Government would not get as much for its bonds. It probably would not get the premium which it receives from these tax-exempt bonds, but I think that advantage is far outweighed by the loss of revenue, and this applies not only to the Federal Government but to the bonds issued by the State governments and their instrumentalities like the cities, drainage districts, irrigation districts, the port authorities, counties, and school districts. These exemptions divert capital from productive enterprise, industry, and agriculture. There is where money is mostly needed—in industry and farming.

I urge all of you to give some thought to this matter, and I warn you that I will do all in my humble power to preclude the further issuance of this type of bond.

Mr. RICH. Will the gentleman yield?

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

Mr. RICH. Would it be the intent and purpose of the gentleman to see to it that the Government recalled all tax-exempt securities as soon as possible? I think if the gentleman included that feature it would be a very fine thing.

Mr. CELLER. We have the right without an amendment to the Constitution to tax these bonds under this bill and to withdraw all exemptions from all Federal bonds. It is not necessary to have an amendment as far as Federal bonds and Federal securities are concerned, but we do need the amendment as far as the bonds and securities of the States and their instrumentalities are concerned, as well as securities issued by the cities and the municipalities. We must have a constitutional amendment to prevent the States from taxing our Federal bonds and securities. The only fair way to do it is by an amendment to the Constitution, and I am sure that the Judiciary Committee of the House in the next session will act consistently with that attitude.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment.

I do this because it would be highly unfair to start at this point and take exemption from the bonds authorized by this housing bill. We would destroy the efficacy and the benefits of the housing bill. You could not sell the bonds without these exemptions in competition with the billions of bonds with exemptions now outstanding. We must treat all the bonds alike—of all issues—State and Federal. This can only be done by a constitutional amendment.

Of course, the voluntary withdrawal of the tax exemptions, I repeat, from securities issued by and under the authority of the Federal Government requires no constitutional amendment. But to do this as to Federal securities alone would involve an unjust discrimination against the National Government and give a great advantage to the State and local governments.

It seems clear since the decision of *Evans* v. *Gore* (253 U.S. 245), that the sixteenth amendment does not permit the Federal Government to tax income derived from State or municipal securities. That is why I state that the only effective means of restricting the further issue of tax-exempt securities by State or municipal governments would be by a constitutional amendment. I am informed that such an amendment would doubtless meet with much opposition on the part of some of the States who fear that they could not successfully float State issues for public improvements in the States without tax exemptions.

We must get the amendment passed despite this objection. It is important also to determine whether the constitutional amendment prohibiting exemptions should be limited to future issues of State and Federal bonds or should apply also to outstanding issues which now enjoy tax exemption. Personally, I am of the opinion that there should be no tax exemption of any sort whether the bonds are now issued or are to be issued in the future.

We have certainly made a hodge-podge of the exemptions. Some of our Federal bonds are exempt from all taxes, normal taxes, surtaxes. Some of them are exempt from normal taxes only. Others are only exempt from surtaxes. The whole wretched business must be wiped out. It is a pandering to the appetites of the more wealthy. It relieves the risk of the burdens placed on those who are more able to pay the tax.

I hope therefore that my warning will not fall on deaf ears and that those of us who are in the next House will take warning and do all in our power to right this wrong, to prevent the further issuance of tax-exempt securities.

It is interesting to note that such constitutional amendment passed the House in 1932. It was the Green bill. The vote was 223 yeas, 101 nays, 101 not voting. I assure you that my amendment will pass the next House, if I am privileged to be in there, by greater numbers.

My resolution providing for such constitutional amendment is as follows:

House Joint Resolution 240

Joint resolution proposing an amendment to the Constitution of the United States

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. The United States shall have power to lay and collect taxes on income derived from securities issued after the ratification of this article by or under the authority of any State, but without discrimination against income derived from such securities and in favor of income derived from securities issued after the ratification of this article by or under the authority of the United States or any other State.

"SEC. 2. Each State shall have power to lay and collect taxes on income derived by its residents from securities issued after the ratification of this article by or under the authority of the United States, but without discrimination against income derived from such securities and in favor of income derived from securities issued after the ratification of this article by or under the authority of such State."

In this connection, permit me to repeat the words of my esteemed friend, Senator ASHURST, Chairman of the Senate Judiciary Committee, on this important matter:

Many lawyers, respectable in ability, are of opinion, in view of the sixteenth amendment, that no further constitutional amendment is necessary in order to lay and to collect taxes on incomes and interest derived from securities issued by the United States or by any State.

I must admit that the majority opinion of the bar is that a constitutional amendment is required.

Moreover we may not ignore the following recent decisions of the Supreme Court of the United States, holding that the sixteenth amendment did not extend the taxing power to any new class of subjects, but merely removed all occasion, which otherwise might exist, for an apportionment among the States, of taxes laid on income, whether it be derived from one source or another. (*Brushaber* v. *Union Pacific R.R. Co.*, 240 U.S. 1; *Peck & Co.* v. *Lowe*, 247 U.S. 165, 172; *Eisner* v. *Macomber*, 252 U.S. 189; *Evans* v. *Gore*, 253 U.S. 245, 259; *Metcalf and Eddy* v. *Mitchell, Admx.*, 269 U.S. 514, 521.)

Therefore, in view of these decisions, expensive and protracted litigation may be avoided by this amendment, which if submitted by the Congress would probably be ratified by the States before the question could directly and finally be decided by the courts.

Mr. President, it is interesting to observe that the first exemption of income of State and municipal bonds from such taxation was announced by the Supreme Court of the United States in its famous decision, declaring all Federal income taxes unconstitutional (*Pollock* v. *Farmers' Loan & Trust Co.*, 157 U.S. 429, et seq.).

Should my proposed amendment be submitted and ratified, the case of Pollock against Farmers' Loan & Trust Co. will have the unique distinction of bringing two amendments to the Constitution, or rather two amendments were required to overcome the effects of that decision.

My proposed amendment strikes at an evil in our system of taxation which is already great, and if unchecked, will grow—indeed has grown—to such magnitude as to threaten the existence of our institutions. We must assume that the Constitution of the United States, as it now stands, not only permits the issuance of tax-exempt securities by both the Federal and the State Governments but prevents the Federal Government on the one hand from levying an income tax on securities issued by the several States, and the States on the other hand, from levying an income tax on the securities issued by the Federal Government.

Students of our form of government recognize, of course, that the question is complicated owing to the very nature of our constitutional system of dual governments, Federal and State.

The existence of conditions that enable any municipality or political subdivision to issue tax-free securities directly permits a certain class of property owners to partake of the comforts and benefits of government without bearing any share of the expense burden of government.

All private property should pay its just proportion of the expense of maintaining the Government.

The issuance of tax-exempt securities permits:

(1) A large portion of property to escape taxation, thereby causing great loss of revenue;

(2) It violates the sound tax principle of "ability to pay" and it unfairly discriminates among taxpayers;

(3) It discourages investment in new enterprises;

(4) It encourages extravagances of governmental agencies;

(5) It grants private subsidies and special privileges obnoxious to our system;

(6) 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;

(7) It creates, and quite naturally, social unrest.

It will be observed that the form of my amendment forbids discrimination against securities issued by the States, or under their authority, in favor of national securities, and that the States, on the other hand, are forbidden to discriminate against the securities issued by the Federal Government.

Vigor and vision are the supreme need of the hour, and unless we act with promptness on this subject the National Government and some of the States will bog down and sink into the grasp of the all-smothering, all-destroying quicksands of insolvency.

Mr. BOILEAU. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BOILEAU. Mr. Chairman, the gentleman has asked that he be permitted to withdraw an amendment which he has offered. I have on the Clerk's desk an identical amendment, with the exception of a change of a word or two. I have no objection to the gentleman withdrawing his amendment if I may be privileged to offer practically the same amendment. May I ask whether or not I shall be privileged to offer the amendment?

The CHAIRMAN. The gentleman will have the opportunity to offer his amendment at the proper time.

Is there any objection to the request of the gentleman from New York?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 48, line 14, after the words "United States", strike out the remainder of the sentence down to the period in line 18.

Mr. BOILEAU. Mr. Chairman, this amendment strikes out the language beginning on page 48, line 14, after the words "United States", down to and including the word "either" in line 18.

This takes out the provision which makes these securities tax exempt. We have been talking about tax-exempt securities during the Seventy-second and Seventy-third Congresses. Gentlemen get up on the floor of the House and condemn the practice, but so far as I recall there has not been a direct issue on this question.

I am satisfied that a vast majority of the Membership of this House is opposed to a continuation of this policy, and I do not propose to withdraw this amendment. I hope the Membership of the House will signify in no uncertain manner their disapproval of the continuance of this policy. There is no better time in the world to stop this practice than right now. I hope the Membership of the House will support this amendment and will make it quite clear that from here on and hereafter the House will not approve any further issuances of tax-exempt securities.

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

Mr. BOILEAU. I yield to the gentleman from Michigan.

Mr. WEIDEMAN. I simply want to ask the gentleman if he has signed the petition that was on the Speaker's desk to bring out the bill of the gentleman from Texas [Mr. PATMAN] to prevent the further issuance of tax-exempt securities.

Mr. BOILEAU. I assure the gentleman I have signed that petition, and I also wish to assure the gentleman that I signed the petition filed by the gentleman from Indiana, Mr. Hogg, in the Seventy-second Congress, which was on the Speaker's desk, providing for a constitutional amendment to this effect. I shall not only talk about it but I shall sign any such petition if it will be helpful in enacting this legislation.

Mr. WEIDEMAN. I had assumed the gentleman from Wisconsin had done that because the gentleman is one Member of the House who votes the way he talks, and I compliment him for it.

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

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

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

Mr. RICH. I hope the gentleman will press his amendment because it is a good thing to put the Membership of the House on record when they talk one way and are afraid to vote the same way.

Mr. BOILEAU. I thank the gentleman for his contribution and I may assure him that I shall do all I possibly can to bring about the adoption of this amendment.

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

Mr. BOILEAU. I yield.

Mr. CELLER. Does not the gentleman think it would be rather unfair to remove the tax-exempt feature from these bonds when all the other bills involving the same principle have provided tax-exempt bonds?

Mr. BOILEAU. No. We have got to stop sometime. We have put this exemption in the home-owners' bonds and that takes care of the home owners and their bonds. We have also included a tax-exempt provision so far as the farm-loan bonds are concerned, and I can see no reason why in this bill we should continue the tax-exempt feature, because this section of the bill is primarily to help banks, and so forth, to make these loans, and I do not see how the withdrawal of the tax-exempt feature will in any way prejudice the home owner or any of the other people we are trying to help.

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

Mr. BOILEAU. I yield.

Mr. CHRISTIANSON. I would add to what the gentleman from Wisconsin has said, that we are placing no reasonable limitation upon the interest that may be charged by these building-and-loan associations and other financial institutions and, therefore, they certainly should not object if we impose a tax upon these securities.

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

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

Mr. McFARLANE. I have offered a bill on this very proposition to stop this tax-exempt bond racket, and I hope the gentleman will insist on his amendment and let us get a record vote, even if it is necessary to have a motion to recommit.

Mr. BOILEAU. I am going to insist upon it so far as I am able to do so.

Mr. ELLENBOGEN. Will the gentleman yield?

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

Mr. ELLENBOGEN. I want to endorse what the gentleman from Pennsylvania [Mr. RICH] has said. The time has come when we ought to stop this tax exemption of bonds, and we ought to stop it now.

Mr. BOILEAU. Mr. Chairman, there seems to be an overwhelming sentiment in favor of the amendment, and I hope the vote will also be in favor of it. [Applause.]

Mr. TERRELL of Texas. Mr. Chairman, I had an amendment to offer as a substitute and I protested the withdrawal of the other amendment, so that my substitute was not in order.

I now offer a substitute amendment in lieu of the amendment offered by the gentleman from Wisconsin. It is exactly the same thing except it is two or three lines broader, and we can get a direct vote on the entire question.

The Clerk read as follows:

Amendment offered by Mr. TERRELL of Texas, as a substitute for the amendment offered by Mr. BOILEAU: On page 48, beginning in line 12, after the word "approve", strike out down to and including the word "either", in line 18.

Mr. TERRELL of Texas. Mr. Chairman, I may say that this amendment strikes out the guaranty provision, and also the provision that exempts the securities from all taxation.

I want to say in regard to the bill and this amendment that I want a direct vote on this proposition to see whether the House is in favor of continuing this tax-exempt racket that has been going on too long.

Now, Mr. Chairman, I have listened patiently to these appeals for funds for the housing projects—to clean up the slums in the cities—by the gentlemen of New York, Mr. O'CONNOR and Mr. SIROVICH, and the gentleman of Indiana,

Mr. GREENWOOD, telling us about the difference between the palace of the rich and the hovel of the poor, and that the bill equalizes the two extremes, and I want to ask these gentlemen when and where they can find anything in the Constitution of the United States to authorize the Government to go into the business of building houses and cleaning up slums in the cities? I dare any one of them to state one single clause in the Constitution that authorizes that thing.

Mr. SIROVICH. The general-welfare clause.

Mr. TERRELL of Texas. The general-welfare clause is a play upon words. I want to say that you have branched out in appropriating money for everything in the world that you can think of, and yet there is a limitation—there will come a time when the Government will be in default and sell her bonds at a discount.

You cannot find any word or clause in the Constitution where Congress is authorized to expend a dollar to clean up the slums in the cities or build houses.

There was a time when men built their own homes. Abraham Lincoln built his own home. He was born in a log house. I was born in a log house, and helped to build many log houses.

Mr. SIROVICH. Suppose the Supreme Court of the United States declared it constitutional, would the gentleman vote for it? We must abide by the decision of the Supreme Court, but the Court has never held any such law as this constitutional.

Mr. TERRELL of Texas. I want to say to the gentleman from New York that the State of New York is the richest State in the Nation and the city of New York is the richest city in the world. What is to hinder that State or the city of New York issuing bonds to clean up the slums in its own cities, instead of trying to get their hands in the Treasury of the United States to do it?

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

(Mr. TERRELL of Texas asked and received permission to extend his remarks by inserting in the RECORD the following letter to the President:)

MAY 21, 1934.

His Excellency FRANKLIN D. ROOSEVELT,
White House, Washington, D.C.

DEAR MR. PRESIDENT: As the time is drawing near for adjournment of Congress and as I never have an opportunity to talk with you on any questions submitted to Congress, I desire to make a few suggestions concerning pending legislation.

There are a few paramount problems to be solved before complete recovery is possible. The first is the monetary question—the establishment of a currency system that is sound and with sufficient volume and flexibility to meet all requirements of agriculture, industry, and commerce under all conditions.

You made a good start in reducing the gold content of the dollar, and this slightly raised commodity prices and revealed no signs of uncontrolled inflation. You should now reduce the gold content to 50 percent of the original amount of gold in the dollar in order to increase the number of dollars. This will raise commodity prices a little more, but not to the 1926 price level. This action should be followed by an act of Congress nationalizing silver and making it a part of our metallic base.

I would limit this to 25 or 30 percent of the metallic base, and this, with our gold reserve, would give a fairly broad metallic base for the issuance of currency to meet the demands of trade. The price level should be raised to the 1926 price level as soon as possible, and this may be done without danger of uncontrolled inflation. We cannot trust the private banks to regulate the volume and value of money, as they have had their opportunity and failed. The issuance of money and regulating its value is a Government function.

Commodity prices will depend as much, or more, upon the volume of money in circulation and the velocity of business turnover, as upon supply and demand, both of which factors must be considered in controlling inflation and proper price levels. Commodity prices cannot be raised to the 1926 price level and existing debts cannot be paid without cheaper money, because it takes twice as much products to pay the debts as it did when they were created. There are enough food products and clothing in the country to prevent suffering and to supply all the needs if we could establish a proper exchange of labor and raw products (through the medium of money) for the things we need.

The next big problem is decentralization of government and the limitation of the taxing power and governmental expenses. The Government cannot continue to issue bonds and tax the people beyond their ability to pay without danger of deepening the depression, which would cause more suffering, and probably bankruptcy and repudiation of debts. Men hesitate to put their money into business enterprises when there is a safe avenue of escape from business hazards by putting it in Government bonds at 3- or 4-percent interest without worry or danger of loss.

It seems to me that the Government is greatly overmanned and is endeavoring to give too much advice and financial aid to individuals and corporations that could take care of themselves through the aid of the States and the citizens if they were not permitted to raid the Federal Treasury. All problems now seem to be considered from a national viewpoint, like governmental problems of monarchies, instead of the standpoint of a union of free States, as contemplated by the Constitution. Governmental expenses can be greatly reduced under a proper reorganization of the governmental structure, eliminating useless governmental agencies.

The last Democratic platform declares: "We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of the Federal Government." This demand of the platform has not been met and the only intelligent way to do this is to have a committee of Congress appointed to investigate and examine the work of these departments, commissions, and bureaus, and report their findings to the next Congress, recommending which ones can be abolished or consolidated without destroying a necessary service to the people. Much of the work of these agencies can be done by the States in keeping with the purpose and intent of the Constitution.

I have introduced such a resolution, but it cannot be passed without your support. It ought to be passed in order to secure data for congressional action.

For the best interest of the country, all controversial questions should be dropped and Congress should adjourn immediately and give business a chance to solve its own problems without fear of destructive legislation. Only such imperative problems as a safe financial structure for raising commodity prices and assisting business recovery, and for reducing the heavy tax burdens and the personnel and expenditures of our overmanned and topheavy Government should be considered now.

It is not possible for the Government to build all the houses needed; manage all the business of the country; pay all the debts; settle all the strikes when men receiving $8 or $10 a day are striking for higher wages, with millions of men out of employment. Nor is it possible to give employment to all unemployed people or catch all the criminals. A good stiff reward offered by each State would catch more criminals than a thousand hired men with armored cars and machine guns furnished by the taxpayers. No government can finance all these activities and remain solvent.

Respectfully,

GEO. B. TERRELL.

TAX-EXEMPT SECURITIES CREATE A PRIVILEGED CLASS WHO DO NOT HELP BEAR THE BURDENS OF TAXATION AND GOVERNMENT

Mr. BUSBY. Mr. Chairman, there is no question in my mind that tax-exempt securities, if indulged in to a great extent as in the case in the country at the present time, will create an entirely privileged class of people who hold these securities and guaranties of the Government, and will look only to the interest that must be paid by the taxpayers of the country.

Undoubtedly those securities are piling up in this country at this time. The declared purpose of the bill in the title does not disclose the contents of the legislation. You will remember when we passed many farm bills in other days the title declared them to be workable, but the work out was another thing entirely.

GOVERNMENT CREDIT WILL BE EXHAUSTED ONE OF THESE DAYS

I asked Mr. Harriman, president of the United States Chamber of Commerce, when he was before our committee:

Do you have an idea as to the amount of credit the Government may use before its credit may be exhausted or impaired in carrying out the recovery program? (Committee hearings, p. 140.)

As important a man as the president of the United States Chamber of Commerce answered that he had made no estimate, no calculation as to how far we could use the credit of this Government in carrying out this program. He did say in substance, if not in words, that he was back of the type of activity on the part of this Government which would sponsor the issuance of bonds in order to put them into the hands of the investors, to finance this recovery program.

HEAVY BOND SALES WILL PREVENT COMMERCIAL RECOVERY

That is detrimental, because every bond sale is a deflation. It has to be paid for with money or its equivalent, and that takes that usable thing away from business, and we have only the proceeds of those bonds with which to try to recover the deflated condition created by their sale.

Mr. Chairman, this bill will not work, and you will never see it work satisfactorily. I will vote for it for the little good it may do. It is just like the Home Owners' Loan

Corporation, with about $18,000,000,000 of demands and a possibility of $2,000,000,000 of funds to loan. The loan money is exhausted now, and they are ready to come and ask us for another billion and a half with which to carry on the loan business, and I favor providing the money for them.

CREATING DEBTS WILL NEVER GET US OUT OF THIS CONDITION

When the administration and the Congress realize that creating debts will only give us a worse condition and a worse status when the debts and interest come due, then we will begin to work to proper ends. What we will have to have is a reliable media of exchange, so that business may carry on without having to come to the Federal Treasury. Selling bonds will never do it. Bonds do not circulate. Bonds freeze liquid bank assets and retire them from the possibility of being used by business. We must have profits in business, so that private business can pay people wages so they can again become consumers of food products and goods. We must have employment, because there is profit in business, and without those things—profits in private business and wages—this kind of temporary legislation that pledges more and more and more the credit of this country for present spending needs to back up fantastical schemes will never succeed. Pay day will certainly come some day. We cannot always borrow.

Mr. CONNERY. Mr. Chairman, ordinarily, I would be in thorough sympathy with the amendment offered by my friend the gentleman from Wisconsin [Mr. BOILEAU], but in this proposition just referred to by the distinguished gentleman from Mississippi [Mr. BUSBY] the Home Owners' Loan Corporation had great difficulty in getting the banks to take over those bonds because the principal was not guaranteed.

Mr. BOILEAU. Oh, my amendment does not take away the guaranty of principal. I believe in guaranteeing the principal, but I seek to do away with the tax-exempt feature.

Mr. CONNERY. I know; but we cannot make this a successful bill and it cannot be put over right to protect the small-home owner and insure these mortgages unless the bond issues can be put out with the tax-exempt feature. I am in favor of taxing tax-exempt securities, but I will not pick out the small-home owner and penalize him because of the people who are hiding behind tax-exempt securities now and who will not be affected by the amendment. The argument that "now is the time to stop it" I do not agree with. If the gentleman had a bill here which would do away with all tax-exempt securities, I would be only too happy to favor it, but I do not believe in penalizing this housing bill merely to get something started toward doing away with tax-exempt securities.

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

Mr. CONNERY. Yes.

Mr. BLANCHARD. The only effect of the removal of the tax-exempt feature would be to sell the bonds at a discount.

Mr. CONNERY. Yes.

Mr. BLANCHARD. The bonds still would sell.

Mr. CONNERY. Yes.

Mr. BLANCHARD. But we might have to sell them at a discount, because of the removal of the tax-exempt feature.

Mr. CONNERY. Yes; but other bonds which would not be penalized like this would get the ready market and you would be discriminating against these housing bonds when they wanted the money to put the provisions of this bill into effect, and you would not be able to get it.

Mr. CELLER. We would have a perfect right at the next session to tax these very bonds which are now tax exempt, because the power to create is the power to destroy. We create the tax-exempt feature and we can take it away. There is nothing in that about the violation of a contract. We have a perfect right at any time to take all of the tax-exempt securities issued by the Federal Government and tax them, and I should be pleased to put decisions into the RECORD to show that. We can remove those exemptions, but for the sake of passing the bill you would make it impossible to have a successful operation of it.

Mr. CONNERY. It is estimated that there are some $36,000,000,000 worth of tax-exempt securities; and if you would tax them 1 percent, you would get $360,000,000. I would be glad to favor the passage of legislation to tax tax-exempt securities, but I do not believe in picking out this one bill to try it on, as that would discriminate against the small-home owners of the country.

Mr. BOILEAU. Last year we passed the Home Owners' Loan Corporation bill, the bill which provided for refinancing loans on small homes, and that same argument was used—that we could not start at that time—and we provided for tax exemption of those bonds. The same thing came up when the farm-loan bonds were issued. When are we going to stop? The bill here will not penalize the small-home owner if we take off the tax-exempt feature.

Mr. CONNERY. It would penalize those who would benefit under this bill in general. I am not in favor of discriminating against this class in favor of others who have tax-exempt securities now.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. CHRISTIANSON. Does the gentleman not think if these people get the benefit of tax exemption a limitation should be placed on the rates of interest they can collect on their mortgages?

Mr. CONNERY. Oh, I would let this go as it is, and will be glad to do anything to do away with all tax-exempt securities. I do not believe, however, in picking out this one bill to do it with, especially in these closing days of Congress, when it might be too late to bring all other tax-exempt securities in line with this.

I hope the amendment will be defeated.

[Here the gavel fell.]

Mr. CAVICCHIA. Mr. Chairman, I rise in opposition to the amendment. I shall be brief. I simply want to call the attention of the committee to the two amendments before you. One has to do with the tax-exemption clause. If you approve that amendment, you will have two types of debentures issued by the Home Owners' Loan Corporation; one will be tax exempt and the other will not be.

The second amendment is a very dangerous one. It strikes out line 12 to line 18. We have had experience in the past year with the first debentures issued by the Home Owners' Loan Corporation, which were guaranteed only as to interest, and not as principal, by the United States Government. The financial institutions did not want to have anything to do with that type of debenture. It was not until this Congress amended the law at this session, when the Government guaranteed both principal and interest, that the Home Owners' Loan Corporation really started to do that for which it was created. This second amendment will take us back to where we started a year ago; and if you accept this amendment, the law will not be worth the paper on which it is written. I hope you will defeat the amendment.

Mr. WEIDEMAN. Mr. Chairman, I move to strike out the last word. We have heard a lot of conversation about removing these tax-exempt securities from the protection we have thrown around them. I checked up one day, and I think there are 37 bills preventing issuance of tax-exempt bonds introduced for home consumption by Members of the House. There has been on the Speaker's table a petition to discharge the committee from consideration of one of those bills, to get it before the House for consideration, and there are only 15 names on that petition. These are some of the things I am anxious to bring to the attention of some of the Members of this House. I am going to vote for the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU] and not vote for the amendment offered by the gentleman from Texas [Mr. TERRELL], due to the experience of the Home Owners' Loan Corporation with its other bonds. Unless both principal and interest be guaranteed there is no sale for those bonds. But I see no necessity of also issuing tax-exempt bonds when the Government of the United States stands behind this issue.

Now, there are not so many good issues of securities going on the market for sale. Any bond that has the guarantee of the Government should be attractive enough to get some purchasers.

You say this is not the day to start. That same cry has been ringing through these legislative halls for years. When we were considering S. 2766, the Glass-Steagall bill, which allowed these very bonds to be deposited with the Federal Reserve Bank, and allowed them to get new currency issued for one-thirtieth of 1 percent, Members said that was not the time. Still we have heard the wail go through these Chambers for years and years. When the bill S. 2766 came before this House there were only 38 Members who voted against giving this bonus to the bankers. If we issue enough tax-exempt bonds it is the surest way of putting our people in subjugation, because the 10,000,000 bonds we are going to issue at this session of Congress will cost the taxpayers of the Nation $30,000,000 before they get through retiring the issue. If you think we can tax ourselves out of debt, you and I disagree.

Mr. DUNN. Will the gentleman yield?

Mr. WEIDEMAN. I yield.

Mr. DUNN. Did not some gentleman make the statement yesterday that this is not the time or the place to wipe out the slum districts?

Mr. WEIDEMAN. I did not hear that. They may have said it. We have heard a lot of talk about that. But we must start somewhere, and if you are going to vote the way you introduce bills and the way you talk to the folks back home, this is the time to do it. I suggest that we vote against the substitute amendment offered by the gentleman from Texas and vote in favor of the amendment offered by the gentleman from Wisconsin. Now and today is the time to start. I want to be able to go back home and tell my folks that I not only talked this 2 years ago, but I am willing to go down the line and give the fellow at the bottom of the heap a little actual relief by voting against more tax-exempt bonds, without continually paying subsidies to Wall Street bankers who tell us that if we do not give them these tax-exempt securities the Government will not be financed. I still have confidence that this Congress is capable of devising ways and means of remedying the situation we find ourselves in.

I yield back the rest of my time, Mr. Chairman.

Mr. STEAGALL. Mr. Chairman, the obligations to which the exemption would apply are direct obligations guaranteed by the Government of the United States. I do not think there is any good reason why that exemption should be withdrawn from such obligations. Alexander Hamilton taught, and such has been the generally accepted view, that it was inconsistent and unwise for the Government to undertake to put a tax on such obligations. Moreover, in practical operation, such plan would be a waste of effort. It would be like taking money out of one pocket and putting it into another. If the Government does not exempt its obligations from taxation, of course, the obligations will not command the same market value that they would with the exemption attached. Any tax collected would be covered by higher interest to be paid, and the cost of collection would have to be added.

The States and many subdivisions of government are permitted to issue tax-exempt obligations in the exercise of their sovereignty, and the Federal Government has not seen fit by a constitutional amendment to take away from the States and other subdivisions, this right. So long as that may be done, it would be a discrimination against the obligations of the Federal Government to place such a limitation upon the exercise of this right of the Federal Government. The States and other political subdivisions through the use of the right of issuing tax-free obligations are enabled to tap the sources of investment and the credit facilities of the country for the upbuilding of undeveloped sections and to provide necessary funds for the processes of growth and progress, which they could not obtain under as favorable conditions if they were not permitted to issue tax-free securities.

So this is a national problem if it be a problem. It cannot be cured by a simple amendment to this bill. The only way it can be reached, if it is desirable and wise to undertake such a reform is by an amendment to the Constitution of the United States covering the broad field of tax-exempt securities as it exists throughout the Nation. To single out this particular bill would, of course, put this system at a disadvantage in competing in the investment market with all the other agencies and activities of government which float obligations having tax-exemption advantages. This provision of the bill is indispensable to the success of the measure and I hope the House will vote down the amendment.

Mr. Chairman, I move that all debate on this amendment and the substitute amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Texas [Mr. TERRELL] for the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU].

The substitute amendment was rejected.

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

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 44, noes 73.

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

Tellers were refused.

The Clerk read as follows:

TITLE II—ADVANCES FOR CONSTRUCTION AND REPAIR

SECTION 201. The Home Owners' Loan Act of 1933 as amended is further amended by inserting after section 5 a new section as follows:

"SEC. 5½. (a) In order to contribute to the early employment of labor in the construction, repairing, and improving of homes and small business properties, and for refinancing existing mortgages, the Home Owners' Loan Corporation is authorized to subscribe for shares, stock, make deposits, buy certificates of deposit, investment certificates, or make loans as follows:

"(1) To subscribe from time to time for any amount of full-paid income shares of Federal savings-and-loan associations.

"(2) To subscribe for any amount or shares in building-and-loan associations, savings-and-loan associations, homestead associations, or cooperative banks organized and operated under State charter or under the supervision of the Comptroller of the Currency of the United States and which are members of a Federal home-loan bank: *Provided*, That no share shall be subscribed for if such institution accepts deposits or has any other shares which are preferred as to dividends or in liquidation to such shares so subscribed: *And provided further*, That the institution in which such shares are subscribed is in such financial condition as to be able in the judgment of the board of directors of the Corporation to pay dividends at a rate of at least 3 percent per annum.

"(3) To make deposits or purchase certificates of deposit or investment certificates in savings banks and building-and-loan associations, provided such institutions are members of a Federal home-loan bank and provided the same are in such financial condition as in the judgment of the board of directors of the Corporation to be able to earn and pay on such deposits, certificates of deposit, or investment certificates at the rate of at least 3 percent per annum.

"(4) To make loans to insurance companies which are members of a Federal home-loan bank to bear interest at the rate that such companies earn on their investment capital, provided such companies are in such financial condition as to be able to earn in the judgment of the board of directors of the Corporation at a rate of at least 3 percent per annum.

"(b) The funds authorized by this section to be invested, deposited, or loaned shall be invested, deposited, or loaned in the discretion of the board of directors of Home Owners' Loan Corporation so as to contribute to the employment of labor and the maintenance, repair, modernization, enlargement, building, financing, and refinancing of homes, and small business properties. All routine and customary procedure except the minimum forms required to evidence the investment of the Government, shall be eliminated in advancing these funds in order that they be made immediately available.

"(c) Such funds shall not exceed $500,000,000 and shall be invested, deposited, or loaned for the full term of 5 years and thereafter to be withdrawn, repurchased, or mature, as the case may be, at the discretion of the board of directors of the Home Owners' Loan Corporation but not to exceed an amount equivalent to 10 percent of the original amount of any such investment or deposit or loan in any one year."

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

The Clerk read as follows:

Committee amendment offered by Mr. STEAGALL: "On page 54, line 6, after the word 'homes', strike out the comma and the words 'and small business properties', and insert a period after the word 'homes.'"

The amendment was agreed to.

The Clerk read as follows:

SEC. 202. The Home Owners' Loan Act of 1933, as amended, is hereby further amended by striking out from section 4, subsection (c), thereof, "$2,000,000,000", and inserting in lieu thereof "$3,500,000,000."

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

The Clerk read as follows:

Amendment offered by Mr. SISSON: "On page 54, line 23, after '$3,500,000,000', insert 'Title III.—National Mortgage Association.'"

Mr. SISSON. Mr. Chairman, I ask unanimous consent that the reading of this title III be dispensed with as it is substantially the same as title II of the original bill, which title was stricken out by the committee.

Mr. PATMAN. Mr. Chairman, reserving the right to object, I have an amendment which strikes out title II and proposes to insert title II of the original act.

I ask as a parliamentary inquiry whether this is a preferential amendment.

The CHAIRMAN. It is. The Clerk will report the amendment of the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: "Strike out all of title II commencing in line 8, page 52, and ending in line 23, page 54, and insert title II of the original bill."

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to withdraw the amendment, under the circumstances.

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

There was no objection.

Mr. LUCE. Mr. Chairman, I ask unanimous consent that the pending amendment may be read again.

The CHAIRMAN. Without objection, the Clerk will again read the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. SISSON: Page 54, line 23, after "$3,500,000,000", insert "Title III—National Mortgage Association."

Mr. SISSON. Mr. Chairman, I ask unanimous consent that the reading of the amendment be dispensed with as it is substantially the same as title II of the original bill which came to the committee.

Mr. LUCE. Mr. Chairman, reserving the right to object, I desire first to know if the amendment offered to add something at the end of page 54 is pertinent at this time unless the section has not been read.

The CHAIRMAN. We have finished reading that section.

Mr. LUCE. Has the Clerk finished reading title II?

The CHAIRMAN. Yes.

Mr. DIRKSEN. Mr. Chairman, reserving the right to object, may I be informed whether the amendment precludes the offering of an amendment to title II as it is now carried in the bill?

The CHAIRMAN. It does. Title II has been passed.

Mr. DIRKSEN. Mr. Chairman, will the gentleman withhold his amendment for a minute until I offer an amendment to existing title II? I do not want to object, but if title II as it now stands is permitted to remain in the bill, then I do not want to be precluded from the right to offer this amendment.

Mr. SISSON. Mr. Chairman, I withhold it.

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

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 52, line 13, after the comma following the word "properties", insert "the gradual elimination of uninhabitable, insanitary dwelling structures."

Mr. DIRKSEN. Mr. Chairman, I shall not impose upon the committee very long, except to say that section 5½ on page 52 is really a declaration of policy with respect to construction and repair. It occurs to me that we might just as well kill two birds with one stone and while we are going in for a program of modernization and renovation of existing homes and for the building of new structures we might just as well at the same time address ourselves to the social problem of eliminating some of these insanitary and unsightly structures that we find now in every city, village, and hamlet of the United States of America. They stand as so many eyesores. On a great many of these structures the taxes have been accruing for 15 or 20 years to the point where no one is willing to acquire such building or parcel of real estate, thereby depreciating the assessable value of real estate. They stand there as so many additional and extra fire hazards.

A certain policy might be effectuated under the provisions of this bill so that by way of construction and modernization we may eliminate some of these eyesores and some of these slatterns that stand out on the landscape more or less weather beaten to materially impair the appearance of the cities in which they stand. I see no place in the entire bill where there is a declaration of policy to the effect that it shall be the policy of the administrators of this bill that these unsightly, weather-beaten structures shall be eliminated, and I think it is absolutely necessary to include this feature somewhere in the bill so that there is at least a color of authority for those who are administering this bill and their various instrumentalities to carry out this program of elimination.

Perhaps this is as good an occasion as any to make reference to the fact that Mr. Harriman's name has been mentioned as opposing title II, and that the inference was that title II should therefore be acceptable to those who favor doing something for small home owners. I yield to no one in my solicitude for the small home owner, but I do believe it unfortunate to seek to curry favor in behalf of a provision by using an argument that seems founded on mere prejudice. By the same token, it might be said that Mr. J. M. Daiger, financial counselor to Mr. Walker, president of the National Emergency Council, who on June 9 issued a statement condemning the Banking and Currency Committee of the House for dismembering the bill by stripping it of title II, and who also stated that the House bill was the work of building-and-loan associations, can be cited as a good example of the same kind of argument. Mr. Daiger need not be so effusive with his left-handed compliments. The fact is that he was formerly in the real estate bond and mortgage loan investment field, and had for his clients bank and trust companies whose mortgages were guaranteed by large surety companies. One of the real estate guaranty firms who was one of Mr. Daiger's clients was the F. H. Smith Co., of Washington, whose president, Mr. G. Bryan Pitts, wound up in Lorton Penitentiary because of his nefarious financial practices. Mr. Daiger might well afford to refrain from throwing rocks at the building-and-loan associations, and at Mr. Bodfish, the executive vice president of the Building and Loan League. The fact is that Mr. Bodfish has for years served as a director for a building-and-loan association in Chicago, and for his services receives the munificent sum of $35 per year.

I would like to allude to the fact that throughout the discussion on this bill, the references to the building-and-loan associations would seem to imply that they were some kind of closely controlled, private enterprises, in the same class with other financial institutions. The fact is that when you speak of buildings and loans you speak of the people, because they are nothing more than cooperative home-building enterprises. The people own them, and when their representatives come and express concern about the unfairness of title II I am disposed to listen and give heed to their opinions, because it is the people who are speaking on these matters.

Let me point out also that the original bill, with title II intact, was in my judgment a big finance bill, seeking to hand the building-and-loan folks and the home owners over to the tender mercies of large financing institutions in large centers. Consider for a moment that, under the insurance provisions, insured institutions, which means the small building and loans and others, were restricted in their operations to a 50-mile radius. The National Mortgage Associations, however, which are to be set up under title II, must have capital of five million, can issue bonds up to seventy-five million, tax exempt, and can operate all over the United States. It means some more of this remote

and dangerous financing. Only the large cities can find the money to establish such associations, but, through glib agents and salesmen, they will operate at long range in my district; and if they run true to the form set up by some of the other mortgage houses of the past, it means that there is created the possibility of giving our people another handsome fleecing. I am unalterably opposed to that sort of business.

It was said that these associations would be carefully supervised. Did not they advance the same brand of persuasive talk when the joint-stock land banks were created? Did not they talk about the need for easy money at low rates? Did not they talk about the nice yellow and green bonds issued by these banks as "instrumentalities of the Government", when they were not Government bonds at all? It was rank deception. Did not they talk about Government supervision of these banks? Where are they today? In liquidation. In receivership. Look at the market page of the daily paper and note how those bonds have fallen to less than one-third of their value. And, on top of it all, they refuse to permit farmers to pay off their indebtedness to these banks with the bonds which such farmers bought at par. That is what you call a "high-pressure skin game", and I am opposed to any similar agency that has the power to duplicate that tragic and sordid experience.

I defy anyone to point out a single section of the bill creating such mortgage associations, which guarantees low interest rates. It looks suspicious, and, when coupled with authority to issue 15 times their capital in bonds plus the authority to operate in all of the 48 States, one is forced to the conclusion that this was not in the first instance a housing bill that would bring the maximum benefits to the small-home owner.

I sincerely hope that when the bill goes to conference, the conferees will show a rare discernment and eliminate what I consider to be provision in this bill which is of very doubtful merit.

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

The amendment was rejected.

The CHAIRMAN. Is there objection to the request of the gentleman from New York to dispense with the reading of the amendment and to print the amendment in the RECORD?

There was no objection.

The amendment is as follows:

Page 54, line 23, after "$3,500,000,000", insert the following:

TITLE III—NATIONAL MORTGAGE ASSOCIATIONS

SEC. 301. Any number of natural persons, not less than five, may associate to establish a national mortgage association for the purpose of (a) lending upon the security of mortgages or such other liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located; (b) purchasing, selling, and otherwise dealing in credit instruments secured by such mortgages or liens; (c) borrowing money for any of the foregoing purposes by the issuance of bonds or debentures.

SEC. 302. Every national mortgage association created under the provisions of this title shall have power—

(1) to have succession from the date of its organization until such time as it be dissolved by act of its shareholders or until its franchise becomes forfeited by order of the Federal Home Loan Bank Board as hereinafter provided, or until terminated by either a general or a special act of Congress, or until its affairs be placed in the hands of a receiver and finally wound up by him;

(2) to have and use a corporate seal;

(3) to sue and be sued, complain and defend in court of law or equity, as fully as natural persons;

(4) to conduct its business in any State of the United States or in the District of Columbia and to have one or more offices in any such States or in the District of Columbia, one of which offices shall be designated as its principal office;

(5) to do all such things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

SEC. 303. Persons desiring to associate themselves together to establish a national mortgage association shall, under their hands, prepare articles of association, which shall specifically state—

(1) the name of the association, which shall be approved by the Federal Home Loan Bank Board;

(2) the place where its principal office or place of business is to be located;

(3) the amount of the capital stock; the classes of such stock to be issued; a statement of all or any of the designations and powers, preferences and rights, and the qualifications, limitations, or restrictions applicable to each class of stock; the number of shares and the par value of each of such shares of each class of stock to be issued; the minimum amount of capital with which the association will commence business, which shall be not less than $5,000,000; any provisions which the incorporators may choose to insert with reference to the management of the business and the conduct of the affairs of the association, and any provisions creating, defining, limiting, and regulating the powers of the association, the directors and the stockholders, or any class of stockholders; all such provisions to be subject to the approval of the Federal Home Loan Bank Board;

(4) the fact that the articles are prepared to enable such persons to avail themselves of the advantages of this title.

SEC. 304. The articles of association shall be signed and sealed by each of the incorporators and shall be acknowledged before a judge of any court of record, or a notary public; and shall be, together with the acknowledgment thereof authenticated by the seal of such court or notary, transmitted to the Federal Home Loan Bank Board, which shall record and carefully preserve the same.

SEC. 305. If the Federal Home Loan Bank Board shall be of the opinion that the incorporators transmitting to it articles of association as hereinbefore provided, are responsible persons and desire to create a national mortgage association for the purpose of doing business as heretofore provided, said Board shall issue or cause to be issued a certificate of approval; and the association shall become, as from the date of issuance of such certificate, a body corporate by the name set forth in its articles of association.

SEC. 306. No association shall transact any business except such as is incidental and necessarily preliminary to its organization until it has been authorized by the Federal Home Loan Bank Board to do so. The Federal Home Loan Bank Board shall not grant such an authorization to commence business until it is satisfied that capital stock of a par value of $5,000,000 has been subscribed for at not less than par and paid for in full in cash or Government securities, and until it is satisfied that all other conditions with respect to the organization of the association which it may impose have been met.

SEC. 307. The amount of bonds or debentures which any national mortgage association may have outstanding at any time shall not be in excess of either (a) 15 times the aggregate par value of its outstanding capital stock, or (b) the current value of mortgages held by it and insured under the provisions of the National Housing Act, plus the amount of cash and its equivalent and bonds or obligations of the United States which it holds. No national mortgage association shall issue any bonds or debentures except subject to the regulations of, and with the approval of, the Federal Home Loan Bank Board.

SEC. 308. Funds of any national mortgage association not invested in first real-estate liens shall be kept in cash or its equivalent or invested in bonds or other obligations of the United States or bonds or other obligations fully guaranteed as to principal and interest by the United States. National mortgage associations shall keep such reserves in cash or its equivalent as the Federal Home Loan Bank Board shall by regulation determine.

SEC. 309. Subject to such reasonable rules and regulations as the Federal Home Loan Bank Board shall from time to time declare, any national mortgage association shall have full power to, and may, manage properties purchased or turned over to it as the result of foreclosure proceedings. Such properties may be temporarily rented, rehabilitated, modernized, sold, or otherwise dealt in to assure a maximum financial return to the association.

SEC. 310. The Federal Home Loan Bank Board shall have full power to provide for the periodic examination of the affairs of every association organized under the provisions of this title, and shall have full power to terminate the existence of any such association and order its liquidation and the winding up of its affairs in the event that such Board finds the association to be violating any of the provisions of this title or any of the rules and regulations promulgated by such Board under authority granted to it by this title, or in the event such Board finds the association to be conducting its business in an unsafe and unbusinesslike manner. The Federal Home Loan Bank Board shall terminate the existence of any association organized under the provisions of this title and order the liquidation and winding up of its affairs in the event that such Board finds upon examination of the affairs of such association that the value of its assets is less than one-twentieth in excess of its outstanding liabilities and the amount of such deficiency has not been made up within 30 days after the Board has notified the association that such deficiency exists. Expenses of examination of any national mortgage association shall be assessed upon and paid for by the association being examined.

SEC. 311. The Federal Home Loan Bank Board shall have full power to provide by rules and regulations for the liquidation, reorganization, consolidation, or merger of national mortgage associations, including the power to appoint a conservator or a receiver to take charge of the affairs of any such association, and to require an equitable readjustment of the capital structure of the same, and to release any such association from the control of a conservator or receiver appointed by it and to permit its further operation.

SEC. 312. Such associations, including their franchises, capital, reserves, and surplus, and their loans and income, shall be exempt from all taxation now or hereafter imposed by the United States, and all shares of such associations shall be exempt both as to their value and the income therefrom from all taxation (except

surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States; and no State or political subdivision thereof shall impose any tax on such associations or their franchise, capital, reserves, surplus, loans, or income greater than that imposed by such State on competing financial corporations, domestic or foreign. Nothing herein shall be construed to exempt the real property of associations from taxation in any State or in any subdivision thereof to the same extent, according to its value, as other real property is taxed.

SEC. 313. Each national mortgage association, for the purpose of all actions by or against it, real, personal, or mixed, and all suits in equity, shall be deemed a citizen of the State in which its principal office is located.

SEC. 314. When designated for that purpose by the Secretary of the Treasury, any national mortgage association shall be a depositary of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and it may also be employed as a financial agent of the Government; and it shall perform all such reasonable duties as a depositary of public money or financial agent of the Government as may be required of it. Any national mortgage association may act as agent for any other instrumentality of the United States when designated for that purpose by such instrumentality of the United States.

SEC. 315. No individual, association, partnership, or corporation, except associations organized under the provisions of this title, shall hereafter use the words "National Mortgage Association", or any combination of such words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding $100 or imprisonment not exceeding 30 days, or both, for each day during which such violation is committed or repeated. The provisions of section 5243 of the Revised Statutes shall not apply to associations created under this title.

SEC. 316. The right to alter, amend, or repeal this title is hereby expressly reserved. If any clause, sentence, paragraph, or part of this title shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this title but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Mr. LUCE. Mr. Chairman, I make the point of order on the pending amendment that there is nothing in this bill as reported by the committee relating to the question of mortgage associations.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. LUCE. Mr. Chairman, I have nothing more to say.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. SISSON. Mr. Chairman, I did not hear the point of order.

Mr. LUCE. The point of order is that the amendment is not germane in that there is nothing in the bill that relates to this subject.

Mr. SIROVICH. Will the gentleman restate his point of order. We are not sure what the gentleman has in mind.

The CHAIRMAN. The point of order is that the amendment offered by the gentleman from New York is not germane.

Mr. SIROVICH. What amendment?

Mr. BLANTON. Against what amendment is the point of order raised?

The CHAIRMAN. Against the amendment offered by the gentleman from New York. The Chair is ready to rule.

The Chair is of the opinion that the amendment offered by the gentleman from New York is germane and therefore overrules the point of order.

Mr. PATMAN. Mr. Chairman, I offer a substitute amendment which I send to the Clerk's desk.

The Clerk read as follows:

Strike out all of title II, commencing on line 8, page 52, and ending with line 23, page 54, and insert title II of the original bill, which commences with line 13, page 11, and ends on line 1, page 19.

Mr. LUCE. Mr. Chairman, I raise the point of order that title II has been passed upon by the committee and approved. A motion to reconsider is not now in order.

Mr. BLANTON. Mr. Chairman, the committee has been perfecting title II, which must be done, before a substitute for it may be offered. Each title has to be perfected before a substitute may be offered. We have only been perfecting title II, and this is offered as a substitute.

Mr. LUCE. Mr. Chairman, as I stated before, all of title II has been read, passed on, and accepted by the House. We are now to the point of having a new title introduced. The gentleman cannot return to a section that has already been passed upon.

Mr. PATMAN. The gentleman from Massachusetts is mistaken about title II having been accepted. Title II has not been passed upon as yet. I offer this as a substitute for title II.

The CHAIRMAN. The point of order of the gentleman from Massachusetts [Mr. LUCE] is overruled.

NATIONAL MORTGAGE ASSOCIATIONS

Mr. PATMAN. Mr. Chairman, title II of the original bill commences on page 11. This is for the purpose of establishing or permitting the establishment of national mortgage associations.

The argument that was made against this title II yesterday was that the General Motors Acceptance Corporation representative had something to do with writing it and that a representative of Johns-Mansville Co. had something to do with writing it, therefore no good could come out of the proposition because there two gentlemen had something to do with writing it in the bill. That was the main objection registered against it, and one gentleman, the distinguished gentleman from Maryland, made the argument that if it should be passed the General Motors Acceptance Corporation and other similar acceptance corporations would be able to take their paper which they have on property like Frigidaires and have that paper discounted by this Corporation.

I want to convince you that this cannot be done. This title II of the original bill absolutely relates to homes and nothing else but homes.

If you will turn to page 11 you will find that the association may be organized for the following purposes:

(a) Lending upon the security of mortgages or such other liens as are commonly given to secure advances on real estate.

It says:

On real estate—

And then follows—

under the laws of the State in which the real estate is located.

(b) Purchasing, selling, and otherwise dealing in credit instruments secured by such mortgages.

Which mortgages? Mortgages relating to real estate only.

And (c) borrowing money for any of the foregoing purposes.

What purposes are the foregoing purposes? Mortgages and liens upon real estate only. Therefore the argument that is made that the liens or mortgages upon Frigidaires or anything that is not connected with the construction of a home and does not become a part of that real estate will be eligible for discount with these mortgage associations is a mistake. The argument falls to the ground and the main reason the committee struck this title II out of the bill is not a good reason, because the committee is wrong about it, if the language of the bill is taken at what it says.

Now, talking about who is fighting this legislation, let us see who is fighting it. Who wants title II stricken out? Representatives of concerns that want higher interest rates in this country want title II stricken out. Title II is a provision that, I understand, the administration wants reinserted in this bill. It is the provision that will not particularly help building-and-loan associations; it will not particularly help savings associations; it will not particularly help banks, but it will help the home owners of this country, because it will reduce the interest rates that they are forced to pay. Who are the people who want interest rates held up? Well, the president of the United States Chamber of Commerce appeared before the committee and he was the first man who found objection to title II. Do not forget this. Get a copy of the hearings and turn to page 122, where Mr. Harriman's testimony commences. Nobody raised any objection to title II until the representative of big business, big financiers, big banks, and money-lending agencies appeared on the stand, and he found great objection to it. What is

your objection to it, Mr. Harriman? He says, in effect, and you may read his testimony, he is afraid it will reduce interest rates too much; and if you will look at this testimony, you will see that he says, "I hope the Government holds interest rates up."

[Here the gavel fell.]

Mr. CARPENTER of Nebraska. Mr. Chairman, I ask unanimous consent that the gentleman from Texas may proceed for 5 additional minutes.

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

There was no objection.

Mr. PATMAN. Therefore, the people who want high interest rates are against title II, and whenever the chairman of this committee or anyone else—I do not believe the chairman of the committee will say it—gets up here and states that you should strike out title II because the General Motors Acceptance Corporation representative had something to do with writing it—which he did not—that is no excuse. Did you know that these acceptance corporations are receiving from the people, 15, 18, 22, and even 30 percent interest; and if title II is put back in the bill, any sales that are made, where the paper goes through this corporation, the interest rate will be reduced, I venture to say, below 5 percent? So if the General Motors representative did have something to do with writing it, and he is willing to reduce the interest rate that his company is receiving from 22 percent down to 5 percent or below, I say let him do it, and that is what will happen if this legislation is passed with all the paper handled through this mortgage association.

Now, there is some objection to these mortgage associations because they can expand loans on their capital stock 15 times. Is this very bad? It is slow paper. It is all frozen paper, in effect. Certainly, it is safer for them to extend their loans 15 times on their capital stock than it is for banks to extend them 10 times or the Federal Reserve banks 22½ times or 50 times, which they are doing. It is perfectly safe for the savings banks in my State—and they do it in other States—and under the Federal law if they are member banks of the Federal Reserve or national banks, they can do it. They can extend their loans 33⅓ times for every dollar. For every dollar in a savings account they can lend 33⅓ dollars on it. So where is there any big bugaboo about these concerns being able to extend their loans 15 to 1? The argument is not a good one.

If you vote for this amendment, you vote to cut out the title II that the committee put in the bill. Although I have the utmost confidence in the gentleman who wrote this amendment to title II in the committee's bill, I do not agree with them. They are trying to make these loans through the existing building-and-loan associations. Let us make loans through them. They are getting loans from the R.F.C. now in order that they may be helped, but let us not give them a monopoly on the home owners' paper of this Nation. There is plenty of room and plenty of business for these Federal associations that will be set up in New York and Chicago and Houston, Tex., and the other principal cities through the country, which will result in competition which the building-and-loan associations and the savings banks and the other banks do not want; and with this competition there will be a reduction of interest rates, which Mr. Harriman does not want and which these others do not want.

So if you want the administration's bill that was written by the men who have given serious thought and study to this legislation for weeks and months, trying to carry out the will of the people who will administer this law, in order to carry out what the President told you in his message a few days ago he wanted to do for this great country of ours, you will vote for this amendment and cut out title II put there by the committee, and reinsert title II that was sent here by the administration for us to pass.

Mr. LUCE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LUCE. My parliamentary inquiry is in two parts. Has section 202 of the bill been read?

The CHAIRMAN. It has been read.

Mr. LUCE. Has section 201 of the bill been read?

The CHAIRMAN. It has.

Mr. LUCE. Then this raises a case of novel impression. The Chairman, I am very sure, made a recent ruling that we were still considering section 201. I now renew the point of order, because the Chair's previous ruling was made under a wrong impression. My point of order is that section 201 had been read, and we had proceeded to section 202, and that no motion to strike out section 201 may now be considered.

The CHAIRMAN. This raises the same question that was raised before. The Chair was under the impression that section 202 had not been read. Owing to the fact that it has been read, if the gentleman insists on his point of order, the Chair will sustain it.

Mr. PATMAN. Do I understand that the Chair sustains the point of order?

The CHAIRMAN. Yes, section 202 had been read, and the Chair was not advised that it had been read.

Mr. PATMAN. Will the Chair hear me on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. PATMAN. The Chair will recollect that I offered to strike out title II a while ago, and the Chair asked me to withhold it. I offered it when section 201 was read. I am now asking to strike out section 202, which is a part of title II.

The CHAIRMAN. The amendment must be offered to the first section.

Mr. PATMAN. Mr. Chairman, I appeal from the ruling of the Chair.

Mr. BEEDY. Mr. Chairman, in order to keep the record straight, the gentleman from Texas will recall that he did not offer his amendment until the gentleman from New York [Mr. SISSON] had offered his amendment to strike out the title. That was subsequent to the reading of section 202.

Mr. PATMAN. Mr. Chairman, I withdraw the demand for an appeal.

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last word. My purpose in discussing this matter is to clear up, if I may, the parliamentary situation. It was the plan of some Members, especially the gentlemen from New York [Mr. SISSON and Mr. PRALL] of the Banking and Currency Committee, to offer an amendment restoring title II of the original bill as desired by the administration. Title II of the original bill pertains to national mortgage associations. In the new bill, or the committee amendment now being considered by the House, the committee has inserted a new title II providing for loans to building-and-loan associations. It was not the intention, as I understand, of these Members who desire to carry out the wishes of the administration, to remove bodily the new title II pertaining to building-and-loan associations from the bill, but to leave that title in there, at least for the time being, and let the other body or the conference decide whether or not it should remain in the bill.

The gentleman from New York [Mr. SISSON] has offered an amendment restoring the original title II to the bill with one exception; that is, eliminating the tax-exemption feature as to income of those associations. That has been stricken from that amendment. Otherwise the amendment is the same as the original title II, which was in the bill which the administration desires, and still desires to be passed.

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

Mr. O'CONNOR. Yes.

Mr. PRALL. This is also a new section, is it not?

Mr. O'CONNOR. It becomes title III of the committee amendment.

Mr. SISSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SISSON. As I understand it now, the amendment which I originally offered at the end of title II of the bill, under a new title, title III, national mortgage associations, is now before the committee. The Clerk started to read,

and I asked that the reading be dispensed with, inasmuch as in the original bill, that is the bill before the committee struck out the original title II, that title had been before the House.

The CHAIRMAN. If there are no further amendments to title II, that would be so.

Mr. BRUNNER. Mr. Chairman, I have an amendment.

Mr. STOKES. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mr. SISSON. Mr. Chairman, is not the amendment which I offered now before the House; that is, title III, at the end of title II?

The CHAIRMAN. That is pending, but this is a perfecting amendment to the present title II. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. STOKES: Page 54, line 23, strike out the period and insert in lieu thereof a comma and the following: "and by inserting after the word 'bond' in the next to the last line of such subsection 'not to exceed $2,000,000,000 in amount.'"

Mr. STOKES. Mr. Chairman, this amendment simply means that the two billion worth of home-loan bonds which have been issued are issued as tax exempt, but that the new $1,500,000,000 of bonds now proposed to be issued shall not be tax exempt. The Home Owners' Loan Act of 1933 would read as follows:

The bonds not to exceed $2,000,000,000 in amount issued by the Corporation under this subsection shall be exempt.

But the $1,500,000,000 of new bonds will not be exempt, so I appeal to those people here who are seeking to do away with tax-exempt bonds to adopt the amendment.

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

Mr. STOKES. Yes.

Mr. BROWN of Kentucky. I did not understand the gentleman's amendment to mean that these other billion and a half dollars' worth of bonds would be tax exempt. Will the gentleman read his amendment?

Mr. STOKES. This is the section as amended:

SEC. 202. The Home Owners' Loan Act of 1933, as amended, is hereby further amended by striking out from section 4, subsection (d) thereof, "$2,000,000,000" and inserting in lieu thereof "$3,500,000,000", and inserting, after the word "bonds" in next to the last line of such subsection, "not to exceed $2,000,000,000 in amount."

That means that $2,000,000,000 in amount only shall be tax exempt and that these new bonds, $1,500,000,000, are not tax exempt. We are giving them a chance to issue $2,000,000,000 of bonds as tax exempt, and this new issue of $1,500,000,000 is not to be tax exempt. I happen to be in the bond business in Philadelphia in a small way and I can guarantee you that it will not make any difference to the home owners, except to help them. If these bonds are issued tax exempt, somebody has to pay the tax. Industry, business, and real estate will have to pay that tax. Taxes on real estate today are far too heavy in all the States, and that is one reason for it, because we are issuing these tax-exempt bonds. I appeal to you as fair- and square-minded Members of this House to sustain this amendment.

Mr. STEAGALL. Mr. Chairman, I do not desire to occupy the time of the House further than to say that this subject has been covered by the arguments heretofore made by different Members, including myself.

I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. STOKES].

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Strike out all of section 202, page 54, and insert title II of the original act, commencing on page 11, line 13, and ending on line 11, page 19.

Mr. LUCE. Mr. Chairman, I make the point of order that the amendment as offered has no relation to anything contained within the four corners of section 202.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. PATMAN. Mr. Chairman, section 202 relates to an appropriation that will go, through building-and-loan associations, to assist home owners. The section I have offered, title II, will do the same thing, practically, in a different way. It sets up a housing association. Section 202 relates to the Home Owners' Loan Act of 1933. The amendment I offered also relates to that act.

The CHAIRMAN. Does the gentleman from Massachusetts contend that section 202 may not be stricken and a new title inserted?

Mr. LUCE. Oh, there is no question that the gentleman may strike out that section; but to insert something wholly unrelated to the matter stricken seems to me not to be germane.

The CHAIRMAN (Mr. GLOVER). The amendment seeks to strike out the last section of title II of the bill and to insert a new title. The question is, then, Is it germane to the bill?

The Chair overrules the point of order.

PUT TITLE II OF ORIGINAL ACT BACK IN

Mr. PATMAN. Mr. Chairman, this is the same amendment I proposed a moment ago, and it is in order now, and I hope the House will adopt it for this reason: The question is, Are you in favor of the bill which the administration wants, which includes title II, or are you in favor of title II of the bill proposed by the Committee on Banking and Currency?

The Committee on Banking and Currency has disagreed with the administration in this: They believe that title II, which provides for these Federal mortgage associations to be set up, which will have for their purpose the reduction of interest rates all over this Nation, should be absolutely eliminated, and instead of that they have proposed that money be furnished to building-and-loan associations to assist home owners in that way. Of course, building-and-loan associations are given plenty of aid and assistance now through the Reconstruction Finance Corporation. They are doing possibly all that they can. We will admit for the sake of the argument that they are, but the building-and-loan field is large enough so that this new agency will do the people a substantial good. There is a demand for the services which this new agency will render.

Now, if you are in favor of title II, as I proposed, you are in favor of the administration's proposal, and you are opposed to what Mr. Harriman, of the United States Chamber of Commerce, wants—high interest rates. You will stand for low interest rates if you vote for this amendment. It is true you will be opposed to some of the building-and-loan associations which feel that this is competing with them and will cause them to reduce their interest rates unnecessarily. It will also be opposed by the savings banks. They are expanding their savings accounts $33⅓ to $1 now, but they will come here through their representatives and tell you it is unsound for the mortgage association to expand 15 to 1. If there is any logic or reason behind that kind of statement, I wish somebody would tell me what it is.

Furthermore, the depositors in the banks, 1 percent of the depositors owning 60 percent of the deposits, are opposed to this, because it will reduce interest rates; but while it is going contrary to the wishes of many building-and-loan companies, many savings banks, many depositors, and many insurance companies, it is lending substantial aid and assistance to the home owners and home builders of America by reducing interest rates, not only in New York and in Texas but in every State in this American Union. Therefore, I ask you members of this committee to vote for the amendment. Put title II back in the bill and let us have this housing program go forward as the administration wants it, and as those who will administer this act want it.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Kentucky. Will we not attain the same end if we adopt the amendment offered by the gentleman from New York [Mr. PRALL], who has a committee amend-

ment, and who has contested this all the way through the committee?

Mr. PATMAN. I do not know about that. This is a test between the administration's proposal, title II, and the committee's proposal, title II.

Mr. RAMSPECK. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. RAMSPECK. Where is there any guaranty of lowered interest rates or any limit whatever in this title II?

Mr. PATMAN. It is not guaranteed, but competition will make it so; and it will be supervised by the same organization that has brought the interest rates on homes down to 4½ percent. Certainly they will not permit these mortgage associations to charge more.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. PATMAN. I yield.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. PATMAN. I ask you to vote for this amendment; and if it loses, I hope you will vote for the amendment that is offered by the gentleman from New York [Mr. SISSON].

Mr. HANCOCK of North Carolina. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Texas.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this amendment close in 15 minutes.

Mr. PRALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PRALL. Do we understand that this motion is limited to the Patman substitute amendment?

The CHAIRMAN. It is.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. The amendment offered by the gentleman from New York [Mr. SISSON] contains the subject matter of the amendment offered by the gentleman from Texas. Upon the disposition of the substitute amendment offered by the gentleman from Texas, would the amendment offered by the gentleman from New York be in order?

The CHAIRMAN. It would be; yes.

The question is on the motion of the gentleman from Alabama.

The motion was agreed to.

Mr. HANCOCK of North Carolina. Mr. Chairman, I never enjoy disagreeing with my friend from Texas, whom I consider one of the most useful Members of this House. The amendment, however, which he has offered, to strike out section 202 of title II of this bill is an indirect procedure designed to destroy completely the effectiveness of all the provisions contained in title II. I must confess that I am at a loss to understand his attitude. As I stated on yesterday, the members of our committee worked diligently and faithfully for many days on this legislation. They have done their best to bring to the House a sound and workable measure, and it is the candid judgment of many that there is no part of this measure of more vital importance to the purposes of the bill than title II. The particular section which his amendment would strike out merely authorizes an increase in the bonding powers of the Home Owners' Loan Corporation from $2,000,000,000 to three and one-half billion dollars. Five hundred million of this amount is to be used by loans or investments as provided by section 5½ (a). This I thoroughly explained in my remarks here on yesterday. A billion dollars of this amount is to be used in carrying out the present program of aiding distressed home owners throughout the entire country. Applications with the Home Owners' Loan Corporation are already double the amount of funds available for refinancing. It is my recollection that the general counsel of the corporation advised our committee that in his judgment they would have loaned out all their funds by October 15 of this year provided they continued at the rate they are now making loans.

I admit that there is sound reason for differences of opinion regarding the merits of old title II, and that under the amendment proposed by the gentleman from New York [Mr. SISSON], new title II as it stands in the bill before us, together with the old title that was stricken out, would be an additional section. Many, many statements have been made here with respect to the administration's attitude toward various sections of the bill. I do not understand that the administration has expressed any opinion concerning the merits of any particular section as against another section. All of us know that the President wants to attack this great social and economic problem in an effective way, both as emergency and as long-range permanent planning. Who really has the authority to represent the President's view becomes more and more of a mystery here on the floor, and I cannot believe that all of those who have professed to speak for him have been officially deputized. The administration certainly wants a sound and workable bill that will carry out the major objectives as set out in the title. It is our duty, as I see it, to cooperate with them in getting the best legislation possible to do the job. This is what we have tried our best to do with the lights and information before us. Sitting beside me is the Chairman of the Committee on Banking and Currency, a man who is in pretty close contact with the administration. There are several other ranking members of our important committee who would probably be posted as to the wishes of the administration regarding certain provisions of the bill. I could understand how their views might be regarded as representing the administration's views, but I cannot conceive how all those who have spoken here today could claim the same authority.

Mr. MARTIN of Colorado. Right here in my hand is a copy of the President's message saying what he wants.

Mr. HANCOCK of North Carolina. Mr. Chairman, I am sorry, but I cannot yield.

If section 202 of title II is stricken from the bill, it will, in my judgment, bring about the liquidation and extinction of every private home-financing institution in America. It is doubtful, with the relief assured to these institutions by this section, whether they would be able to cope and compete with the big national organizations provided for in old title II, which would take the place of section 202 under Mr. PATMAN's amendment. I honestly believe that if you destroy the so-called "new title II" and thereafter incorporate old title II, you will be sending to the financial gallows those institutions which have cared for millions of our home owners throughout this depression and which have for many, many years encouraged small savings by all classes of our people.

Mr. Chairman, I had not intended to raise any further objection to old title II, though I have not felt that I could conscientiously support an amendment restoring the same to this bill. I feel it my duty, however, to call to the attention of the House some of the features of that section. In brief, it would enable the large mortgage companies to reset themselves up under national charters; a minimum capital of $5,000,000 would be provided, and they would have to meet the requirements laid down by the Federal Home Loan Bank Board before they could operate. They are given all the rights usually given Federal corporations, together with special rights and privileges in the way of taxation. The amount of interest that they might charge is not fixed. They could establish branch offices in every town and hamlet in the country.

Though it is quite probable that these companies would operate on a better and entirely different basis from the old companies, we cannot forget the grief and the loss that have come to American home owners and investors as a result of the mortgage lending and racketeering in this country. These companies under the original bill would be made direct lending agencies of any instrumentality of the Federal Government. They would be depositories for Government funds. They could lend, buy, or discount mortgages anywhere in the United States. If this title is to be restored, it should be materially amended in several important respects. It is my judgment that if the House permits these kinds of organizations to exist, the Federal Government will soon become an insurer of a large portion of the

urban mortgages in the United States. What the loss would be is a matter of conjecture, but it is certain that the Government would soon be involved with an ultimate liability running into the billions.

I therefore appeal to the House to vote down this amendment. If it is your judgment to restore the old title II for the sake of fair play and as a matter of justice, leave the new title II in the bill as it is written.

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

Mr. Chairman, I shall take only a few minutes to say that the amendment of the gentleman from Texas, now before the House, is not a test of title II as originally proposed.

One of the most useful sections inserted in this bill by the committee is section 202. This section increases the bonding power of the Home Owners' Loan Corporation from $2,000,000,000 to $3,500,000,000. Now, I am certain that anyone who understands the situation will not strike out section 202 because, as of June 5, the Home Owners' Loan Corporation had actually received applications totaling $4,555,000,000, but had authority to issue bonds to the extent of only $2,200,000,000.

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

Mr. ELLENBOGEN. I yield to my friend.

Mr. CONNERY. Just to clarify this situation, I have had Members ask me—and I know the gentleman has had Members ask him—the effect of actually striking out section 202. The effect would be to take away from the Home Owners' Loan Corporation a provision which would enable them to take care of many more homes than they are doing now.

Mr. ELLENBOGEN. Exactly.

Mr. ZIONCHECK. That is not right.

Mr. ELLENBOGEN. Just a moment until I answer the gentleman from Massachusetts. If you strike out section 202, you will cripple the Home Owners' Loan Corporation and condemn thousands and thousands of home owners to the loss of their homes by sheriffs' sales. They would be thrown out of their homes and onto the streets.

Mr. CONNERY. That is what I mean.

Mr. ELLENBOGEN. And this would happen regardless of the President's housing program. We must increase the power of the Home Owners' Loan Corporation to issue bonds.

Mr. CONNERY. Mr. Chairman, if the gentleman will yield, any Member who votes against section 202 is voting against extending further relief to distressed home owners in every district of the United States.

Mr. ELLENBOGEN. Exactly. I want the committee to understand this: The question before the House on this motion is not as to original title II. That question will come up on the motion of the gentleman from New York.

The question is whether you want to condemn the home owners to lose their homes or want to give them a fair opportunity to retain them through the Home Owners' Loan Corporation.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. ELLENBOGEN. I gladly yield to the gentleman from Washington.

Mr. ZIONCHECK. The $1,500,000,000 authorization to the Home Owners' Loan Corporation provides the funds to carry out the provisions of title 2.

Mr. ELLENBOGEN. It does not. The gentleman is mistaken. May I explain to the gentleman that it gives to the Home Owners' Loan Corporation an additional bonding power of one and one-half billion dollars. From that it may, if it so desires, use $500,000,000 of the one and one-half billion dollars to purchase stock in building-and-loan associations. I say the Home Owners' Loan Corporation may. The power is permissive and only extends to $500,000,000, whereas section 202 increases the power to issue bonds by a billion and a half dollars. I want the Members to realize that the applications already made total $4,555,000,000.

Mr. ZIONCHECK. We all know that. The Banking and Currency Committee is not the Appropriations Committee, in the first place.

Mr. ELLENBOGEN. The Banking and Currency Committee has always had charge of home-loan legislation, and therefore it properly inserted this section.

Mr. PATMAN. Does the gentleman realize that there is no objection in either the House or the Senate to giving $1,500,000,000 more to the Home Owners' Loan Corporation? I do not think this will affect it, because, if the gentleman is correct, it will go to the conferees, and they can put it back. No one will object to reinstating it if the gentleman is correct and the parliamentary situation has forced this proceeding for temporary expediency. No harm, in the long run, can possibly be done to the $1,500,000,000 authorization.

Mr. ELLENBOGEN. I do not know what the conferees may do. I have a duty to perform here. It would be detrimental to every home owner in the United States to strike out section 202, and the parliamentary situation does not make it necessary to do so.

Mr. HANCOCK of North Carolina. The gentleman understands that the testimony before our committee was to the effect that all funds now in the hands of the Home Owners' Loan Corporation would be exhausted by October 15 of this year if the loans continued at the same rate?

Mr. ELLENBOGEN. Yes; the gentleman is right; and therefore we must leave section 202 in the bill.

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I do not wish to address myself to the main issue at this moment, but rise to call attention to an interesting statement by the gentleman from Texas who, after moving to deprive the Home Owners' Loan Corporation of a billion and a half dollars, went on to inform the House that there is not a man in either the House or Senate who wants it to be done. I sometimes wonder how it is possible to follow views in such contradiction. The gentleman asks us in one breath to strike it out and in the next says everybody wants it to remain.

Mr. PATMAN. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. PATMAN. The gentleman realizes that a parliamentary situation had to be dealt with and that is the only way we could get the amendment considered by the House. If the gentleman is correct in his contention, no one would object to reinstating any necessary language after my amendment is adopted. I certainly do not want the authorization for the large appropriation eliminated.

Mr. LUCE. I doubt if parliamentary consideration ever justified that type of procedure.

Mr. HANCOCK of North Carolina. And especially where the distressed home owners of America are concerned.

Mr. LUCE. Yes; distressed home owners by the thousands who are not yet helped. Yet the gentleman rises here and moves to deprive them of the benefits which he says everybody wants to give them. Mr. Chairman, I do not believe there is any need to comment further upon the intellectual vagaries of the gentleman from Texas.

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

The amendment was rejected.

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

The Clerk read as follows:

Amendment by Mr. BRUNNER: On page 54, line 23, after the figures "$3,500,000,000", strike out the period and insert "$6,000,000,000 and that $1,000,000,000 of this amount shall be loaned for new construction of homes."

Mr. BRUNNER. Mr. Chairman, I do not propose to delay final consideration of this measure because I know the tenure of the members of the Committee.

However, I represent a district of home owners second to none in the United States, and I welcome legislation of any nature which will in any way assist them. This bill as reported to the House will assist the home owner and I am duty bound to vote for it in any form it may finally be reported by the Committee of the Whole House, but I am frank to state that it does not go far enough. I am reliably informed that the sections which have been removed were so

removed to the displeasure of the President and the American Federation of Labor. In my opinion both these sources are better able to decide this question than the members of the Committee.

In the first place this is a bill not only to permit the home owner to make his home a more comfortable place to live, but it is primarily a bill to place back to work that class of men who have suffered most through this depression, namely, the building-trades employees. Who is in a better position to state than the members of the various building trades, all of whom are members of the American Federation of Labor, which is the best legislation for us to enact into law than possibly the President who through the Home Loan Board and various other agencies has been brought face to face with this great problem of unemployment. Both have recommended to this body the same method to lead us out of this dilemma, and I for one am more than willing to accept their judgment and hope that the sections removed by the Committee will be restored by the votes of the members of the Committee of the Whole House.

The bill should also be amended so as to increase the sum to six billion instead of three and a half billion. And one billion of this sum should be set aside for new construction.

I have no quarrel with the savings and loan lobby which operated so successfully with respect to this bill, in fact, it matters little to me whether the Home Owners' Loan Corporation or the savings and loan associations loan the money to the home owner and those who desire to make repairs and build homes. The ultimate result is the same because it puts people back to work and takes them off the relief rolls, but I do insist that if the savings and loan associations, banks, and so forth, are to have this money, the law should specify and insist that they comply with the same rules and regulations under which the Home Owners' Loan Corporation is now operating, especially with respect to interest rates, amortization payments, and terms of the mortgage. May I remind the members of this committee that we are today celebrating the first anniversary of the enactment into law of one of the greatest pieces of legislation ever passed in this or any other Congress. Just 1 year ago today the President signed the Home Owners' Loan Act and in that 1 year this act has done more to alleviate suffering, bring back happiness and encouragement to the American people than any one single act which has been performed during the present or any previous administration, and I can think of no more fitting time nor place to refer briefly to the record made by Vincent Dailey and his staff in administering the Home Owners' Loan Act in my own State.

Week ending June 8, 1934

NEW YORK STATE

	Number	Amount
Loans approved	1,721	$9,396,660
Total to date	38,480	210,147,835
Closings completed	1,703	9,120,142
Total to date	19,887	108,681,076

New York State:	
Applications to date	103,238
Preliminary appraisals completed to date	82,823
Mortgagees' consents obtained to date	60,372
Final appraisals completed	51,601
New York City (week ending June 8, 1934):	
Closings completed	952
Amount	$6,084,020.28
Taxes paid	$422,114.97

One of the most significant parts of this record, to my mind, is that part which shows that through the administration of this act the city of New York has received several millions in taxes. In my opinion, this was one of the most important factors in balancing the budget in our city, thereby making it possible to obtain P.W.A. loans and restoring the confidence of the bankers to such an extent that the interest rate on loans to our city had been materially reduced. I know I bespeak the sentiments of the entire Democratic delegation from New York when I say we are proud of the record made by Vincent Dailey and his staff in New York State.

I hope my amendment to increase the amount from three and one-half billions to six billions will prevail.

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

The motion was agreed to.

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

The amendment was rejected.

Mr. SISSON. There is an amendment pending to title 3. May I ask whether the reading of my amendment was dispensed with?

The CHAIRMAN (Mr. BANKHEAD). The amendment was ordered to be printed in the RECORD.

Mr. WOLCOTT. Mr. Chairman, do I understand that the amendment of the gentleman from New York has been considered as read and is to be printed in the RECORD?

The CHAIRMAN. Yes. By unanimous consent it was agreed that the amendment may be printed in the RECORD.

Mr. WOLCOTT. Mr. Chairman, I make the point of order against the consideration of the amendment for the reason that the amendment offered by the gentleman from Texas [Mr. PATMAN] included all of the verbiage of the amendment offered by the gentleman from New York [Mr. SISSON], and therefore the Committee has already passed upon the subject.

The CHAIRMAN. The Chair overrules the point of order.

Mr. SISSON. Mr. Chairman, may I say for the benefit of the Members who are interested in building and loan associations and who believe that our interest in them should be shown to the extent of a loan from the Federal Government of $500,000,000, that while I frankly am not enthusiastic about that, and while frankly I feel in this bill by insuring their shares and insuring their mortgages, in addition to the other aid that has been given in the past to building and loan associations, that there may be some question as to whether this appropriation from the Treasury of $500,000,000 is necessary, I did not join in any effort to defeat this provision, and I certainly would not join in any effort to defeat the further appropriation of $1,000,000,000 to the Home Owners' Loan Corporation. I intended to have this question brought before the House and before this committee in a clean-cut, straightforward way; namely, to restore original title II as it came to us from the administration.

I will challenge any member of this committee—I am sorry to have to say this—to stand up here on his feet and say that this provision in this bill is not a vital part of the administration measure and that it was not requested by the administration. Gentlemen have risen here and have attempted to cast doubt upon it, but they know that the Chairman of the House Banking and Currency Committee called us back the other day and asked us to reconsider it, and I would not feel privileged to say what went on in executive session if it were not for the fact that it is well known to everyone of the Democratic members of this committee that that was by reason of the fact that it was understood the administration desired title II, which is the establishment of national mortgage associations.

I am getting rather tired of this shilly-shallying and wishy-washing on the part of certain Democratic members of my own committee. They come in here and appear to cast doubt upon whether this is a part of the administration measure.

I discussed the reasons yesterday, Mr. Chairman, why title II, the establishment of national mortgage associations, is necessary. We are not asking for any grant or any loan from the Federal Government to these national mortgage associations. These national mortgage associations will simply constitute reservoirs for the drawing of private capital from those districts where the supply of mortgage money exceeds the demand into districts where the demand exceeds the supply. They are absolutely necessary, and I want to impress this upon every Member of the House, my Democratic colleagues particularly, as a mechanism whereby slum

clearance and low cost housing projects may be financed and carried on.

I shall be more magnanimous than some of my colleagues on my own committee have been. I am perfectly willing to see this provision go forward for the benefit of the building and loan associations. I think they are desirable institutions.

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

Mr. SISSON. I am sorry I have not the time.

I am perfectly willing to have that provision in the bill, although I was not enthusiastic about it and it was not a part of the administration's program, but for the sake of what I regard as a greater result, I would not have supported the Patman substitute for my amendment, but I do ask you, because this does not involve the appropriation of a single additional dollar from the Treasury, inasmuch as you have already passed upon the matter of slum clearance and low cost housing projects, to give us the means and the mechanism to put this into effect.

[Here the gavel fell.]

Mr. SISSON. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

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

There was no objection.

Mr. SISSON. I want to call the attention of the committee to one other thing. There has been no substantial change made in this title III, which is the same as the original title II, as it came to us from the administration, except we have removed the provision providing for exemption from tax on the income. The bonds and debentures of this corporation are subject to the same provisions as the other obligations. There is no exemption asked for in this provision. We have taken that out in deference to the wishes of certain members of the committee, and I think they were entirely right in that respect. [Applause.]

Mr. MARTIN of Colorado. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. If no Member seeks recognition in opposition to the amendment, the Chair recognizes the gentleman from Colorado.

Mr. MARTIN of Colorado. Mr. Chairman, the question was asked a moment ago as to who speaks for the administration. I think the gentleman from North Carolina, who is a member of the committee which is opposing the amendment said it is becoming a question in the House as to who speaks for the administration on the floor. I may say that in this case the administration, meaning thereby the President of the United States, speaks for himself, because I have in my hand a copy of the President's message on the housing bill just as it was delivered to the Members here on the floor and read from the Clerk's desk the day it was sent up, and I read from it as follows:

> The purpose of the program is twofold: First, to return many of the unemployed to useful and gainful occupations; second, to produce tangible, useful wealth in a form for which there is great social and economic need.

Now, listen to this:

> The program consists of four major, interrelated divisions:
>
> * * * * * * *
>
> 3. Mortgage associations.

Unquestionably this is just as vital a part of this program as any other part of the bill. No doubt this original bill introduced by the chairman of the committee was prepared with great care over a long period of time and we may assume by competent persons in whom the President has confidence and therefore it is just as essential to carrying out this great program as any other part of the bill.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I have not the time to yield.

I just want to say that this is the last opportunity of this House to do a big thing, and to do it in a big way. I came into the House yesterday with an open mind on this subject of title II, "Mortgage Associations", without any opinion on it one way or the other.

It is my judgment, after listening to the debate up to now, and with this title cut out, that we are not doing a big thing in a big way. We have taken a great national housing bill, something to bring a great national industry out of stagnation, and have whittled it down to benefit the building and loan associations. That is what it amounts to—merely fattening the credit of the building and loan associations.

In my judgment, the measure in the form in which we now have it, will not create a ripple on the stagnated surface of the building-trade industry in this country. What that industry needs for rehabilitation is a great fresh current of finance to start it into circulation.

To show you how open my mind was, after listening to the gentleman from Maryland in his speech against title II I got the impression that perhaps the greatest benefit of this legislation would be the elimination of title II—that that outbalanced all the other benefits.

But as the debate developed, I put two and two together. When it transpired that there are 11,000 building and loan associations in the United States, and out of that 11,000 building associations, 1,000 are in the city of Baltimore—twice as many in the city of Baltimore as they have filling stations.

The gentleman from Maryland seemed to be afraid that we are going to set up a competition to that great local industry, and it occurred to me that if they have loan and building associations on every corner there will be no possibility of any competition, especially as they say they can get the service from these local associations cheaper than the Government can give it to them.

Apparently the head and front of the opposition to this section of the original bill is coming from the State of Maryland, in view of the fact that they have nearly one-tenth of all the building and loan associations within the borders of the country.

(The time of Mr. MARTIN of Colorado having expired, he was given 2 minutes more.)

Mr. MARTIN of Colorado. Now, gentlemen, like many other Members, I think I may have good reasons for keeping silent, because I received telegrams protesting against title II and against the insurance provisions from building and loan associations in my district. But when it developed that the bill requires $5,000,000 paid in capital in cash or Government bonds to initiate and organize one of these mortgage associations, I felt that the Third District of Colorado was perfectly safe, because I do not know of any town in it that can raise $5,000,000 for any such purpose. [Laughter.]

Mr. ARNOLD. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. ARNOLD. Is there any danger of subdistrict offices being created under these $5,000,000 corporations?

Mr. MARTIN of Colorado. There is no provision for it in the bill. I confess to the gentleman that I am not familiar enough with all the provisions of the discarded administration bill to stand a cross-examination on it, but title II does not contain a word authorizing branch associations. I think the smaller districts in the country, like mine, may be entirely free from any apprehension that they are going to get any of these $5,000,000 mortgage associations, which have to put up $5,000,000 in cash to be established. The fact of the matter is that these associations will operate only in the large centers, and that is where they are needed.

But the point may be made that even if these mortgage associations are permitted to operate over an unrestricted area, the facts brought out in this debate show that there is plenty of room for them and plenty of need for them. The facts have been brought out that the real-estate mortgages in the United States, not including farm property, amount to $21,000,000,000, of which about $7,000,000,000, or about one-third, are handled by building-and-loan associations, leaving a vast field of operations for this new agency; in addition to which these new associations will

occupy an entirely undeveloped field, that of slum clearance and the building of decent, human, habitable homes for the people in all the cities of the country, a field wholly untouched by any existing agency in the country.

I was shocked today to hear a Member certify as an eyewitness that housing conditions in the larger cities of the United States are inferior to those of London, Paris, Berlin, or Moscow. This is a shame to our civilization. It will take these mortgage associations, which may expand their capitalization to $75,000,000, to handle any such conditions. After all, this is only anticipating a phase of one of the three major social-betterment objectives mentioned by the President in his great message a few days ago, that of decent homes for the people.

Mr. Chairman, the building-and-loan association is a great institution. The fact that it holds one-third of all the real-estate mortgages in the United States, and these mortgages are said to represent two-thirds of all the home owners of the United States, speaks for itself. The amendment offered by the gentleman from New York [Mr. PRALL] to restore title II on mortgage associations to the bill preserves everything of benefit to the building associations in the original bill and everything of benefit which has been put in the bill by the Committee on Banking and Currency in lieu of title II.

If this amendment is adopted and title II restored, they will get all that was in the original bill and all that is in the committee substitute, and I would support no amendment that took one bit of it away from them. They get five hundred millions of additional capitalization under this bill; they can get their capital stock and their loans insured just as bank deposits are now insured. The millions of home owners and investors in these associations are entitled to this protection, and we will have better and sounder associations as the result of it, just as we have better and sounder banks as the result of deposit insurance. It is not a question in my mind whether these new mortgage associations will unjustly compete with the building-and-loan associations so much as it is a question whether all of them combined will restore the great building trades and their allied industries to a status befitting this great Nation.

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

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes more.

The CHAIRMAN. Is there objection?

There is no objection.

Mr. MARTIN of Colorado. Mr. Chairman, my sympathies go out to these gentlemen from the large centers such as New York, Chicago, Philadelphia, and the other populous centers of the country, because the 10-story tenements in New York which house hundreds of families are just as much a residential proposition as a one- or two-story house out in the smaller cities or towns of the country. It seems to me that we have an opportunity here for slum clearance that will give employment to thousands and tens of thousands of men throughout the big cities of the country and do something substantial, and for God's sake let us quit these little credit-fattening propositions. Ever since the R.F.C. was organized we have been credit-fattening something. We credit-fattened the railroads and the insurance companies and the banks, and now we are going to credit-fatten the building-and-loan associations, and, after we adjourn here in a few days and go home, the whole program of credit-fattening, so far as injecting new economic and industrial life into the country is concerned, will not amount to a damn, and it will be too late for us to do anything about it. [Applause.]

[Here the gavel fell.]

Mr. BEEDY. Mr. Chairman, I rise in opposition to the amendment. I did not intend to take any time of the Committee at this point, not that I did not realize the action we are about to take is of grave importance but because, first, I am fatigued, and, secondly, because I doubted whether the Committee is in a mood to listen to discussion opposing the bill.

The question just asked by the gentleman from Illinois [Mr. ARNOLD] prompts me to rise and call to the attention of the House one very important feature involved in the pending amendment. I am frank to say this, and of course it need have no influence on any other Member here, but if the original title II comes back into the bill I cannot vote for it. I have gone just as far as I can permit myself to go in authorizing this Government to set up one institution after another in the field of industry, to compete with private capital. I have come to the crossroads. I am through with that sort of thing. I do not know how much further you are going with your program of socializing industry. I saw in this morning's paper that the Government is going to run the mills and the factories of the Nation. Where are we going to stop, my friends? We must stop somewhere. You ought not to use public moneys to circumvent the established economic order. Do you really intend to upset our entire social order? If you do, keep on as you are now going. Set up these national mortgage associations, give them a Federal franchise, and exempt them from taxation as the administration desires.

The gentleman from Illinois [Mr. ARNOLD] asked if these mortgage corporations are authorized to set up branches and whether they can go into my small towns to compete with small private lending institutions. Yes, they can, I say to the gentleman from Illinois. If he will turn to page 12 of the bill he will see that the original section title II, which is the amendment now pending before the House, provides that these corporations can do business in any State, have one or more offices in any State, and designate one of its offices as a principal office.

I am not interest in any building-and-loan association, and no representative or anybody investing in any such association has ever written or approached me regarding this bill, but I do recognize in such associations the greatest friends that the poor man and the small-home owner has had ever since this depression struck the country. I want to strengthen their arms and enable them to go on with the splendid work that they have been doing. I do not want to assassinate them. If you put title II back into the bill, you may as well understand that you are going to set up these great Federal corporations with their principal offices in the various States, with their branch offices scattered hither and yon, and you are going to help destroy private industry in the form of building-and-loan associations, institutions set up by men with limited capital and coming to the aid of home builders and home owners at a low cost for service rendered.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. Make your choice. But I beg of you to understand that the adoption of this amendment is but another step along this road that this administration is urging us to follow, a road that ultimately leads to the destruction of private industry in this country and brings us to the point where everything is going to be controlled by Government. If that is what you want, you can have it. I do not want it.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. Yes.

Mr. O'MALLEY. The gentleman inquires as to where we are going to stop. I want to say for myself that I think that we are not going to stop until we put everybody back to work that the gentleman's administration put out of work.

Mr. BEEDY. I will say to the gentleman that any thoughtful person knows that no administration at any time in this country's history, neither the gentleman's party or mine, ever did anything to put men out of work. Every administration seeks to do what it can to aid industry and promote the welfare of the whole people.

Mr. O'MALLEY. The country knows that the gentleman's party never did anything.

Mr. BEEDY. I do not yield further to the gentleman. Will the gentleman now be as courteous to me as I was to him in yielding in the first place?

We asked your party's cooperation when this world depression hit us. Many of you gave it. You asked ours when your President and my President took office in March 1933, and we gave it. I have gone with you step by step as far as I can go. True, I did not agree to going off the gold standard and I did not agree to the debasement of the dollar, but in other directions I have given the President as intelligent and helpful support as has the gentleman himself. I cannot go with you when it comes to taking more Government money, more of the people's money, to create a corporation to compete with private industry and to disrupt the entire economic and social structure. [Applause.]

The CHAIRMAN. The time of the gentleman from Maine [Mr. BEEDY] has expired.

Mr. PRALL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do not wish to take up the time of the committee, but I should like to call attention to the fact that the plan after which this legislation has been fashioned has been worked out by experts since last December. This is not a hurried proposition. It is something that has been well thought out, and we need have no fear of the dire results which the gentleman from Maine [Mr. BEEDY] predicts. We cannot go wrong by reinstating title II. I will say without any fear of contradiction that the administration desires title II replaced in the bill. It is a part of the whole structure embodied in the plan. I am sure you will not permit its destruction.

Mr. PATMAN. Will the gentleman yield?

Mr. PRALL. I yield.

Mr. PATMAN. If this amendment is adopted, and I favor its adoption, it will leave title II of the committee bill in, and it will reinsert title II of the original act, which was left out.

Mr. PRALL. The gentleman is correct.

I yield back the balance of my time, Mr. Chairman.

Mr. SISSON. Mr. Chairman, I move that all debate on this amendment close in 5 minutes.

Mr. LUCE. Mr. Chairman, I move to amend the motion. There are two gentlemen on the committee who desire to speak. I move that the debate close in 15 minutes.

Mr. SISSON. Mr. Chairman, I will withdraw my motion and move that all debate on this amendment close in 15 minutes.

The motion was agreed to.

Mr. REILLY. Mr. Chairman, I rise to support the amendment of the gentleman from New York [Mr. SISSON], to restore to the bill now before the committee, title II of the original bill, as considered by the Banking and Currency Committee for the organization of national mortgage associations.

The important section of the bill now before the committee is section 5 of title I, which provides for the insuring of home mortgages by the National Government up to 80 percent of the value of the mortgaged property on homes to be built after the enactment of this law, and 60 percent of the value of property on homes already built.

The insuring of mortgages is a new departure on the part of the National Government and can be justified only on emergency grounds. The building and mortgage situation is in a most depressing state today, and it is believed that under the terms of the pending bill with title II of the original bill included, that the Government, through the insuring of mortgages and the providing of a corporation or corporations under Government control for the purchasing or dealing in of insured mortgages, will help to revive the building industry by loosening up the mortgage situation, and making available hundreds of millions of dollars for that industry without any cost to the National Government.

I cannot agree with certain members of the Banking and Currency Committee and other critics of title II of the original bill, that the inclusion in the pending bill of said title II will afford an opportunity for the unloading on the National Government of worthless mortgages. Section 5 of title I, that the committee has already approved, provides the machinery for unloading mortgages, good or bad, on the National Government. If such unloading will be possible, because under the terms of section 5, existing mortgages may be insured up to 60 percent of the appraised value of the mortgaged property, and such insuring will take place no matter whether or not title II of the original bill is made a part of the pending measure.

If the Government is going to insure worthless mortgages, under the terms of this bill, such insurance will have to result from incompetent and dishonest appraisals of property covered by mortgages sought to be insured. Under the terms of the Home Owners' Loan Corporation Act that same opportunity to defraud the Government exists. However, by the terms of the pending bill the Government insures existing mortgages only to the amount of 60 percent of the appraised value of the property, while under the Home Owners' Loan Act the Government may lend up to 80 percent of the appraised value of the property, and consequently the chances for defrauding the Government through dishonest or incompetent property appraisals is much less under the pending bill than under the Home Owners' Loan bill.

Now, if this bill is going to function and money is to be furnished to the building industries, some provision must be made for the organization of a corporation or corporations that will buy the mortgages insured by the Government, under the terms of the pending bill. Mortgages are insured for the purpose of giving them a market. If the pending bill is to function on any scale required to meet the present building situation, there must be organized either a corporation or corporations under State control, or a corporation or corporations under national control, for the purpose of dealing in these insured mortgages.

As the bill now stands the gathering of funds for the purpose of buying insured mortgages would be left to corporations organized by private individuals under State laws. Title II of the original bill, which the pending amendment would restore to the bill now before the committee, provides that such corporations shall be national corporations controlled by the National Government, under the said title II. The National Government will put up no money, take no responsibility, except to lay down the requirements for the organization of these corporations, and to see that when organized the corporations live up to the law.

One of the reasons for putting these corporations under the control of the National Government is to protect as far as possible the investors in the debenture and securities of these mortgage corporations that will be issued and sold to the public, by these corporations, whether organized under State or national laws.

Many members of the committee were of the opinion that corporations for the buying and dealing in of insured mortgages would be organized by private citizens under State charters, and that it was unnecessary for the National Government to become involved in any way with such corporations. It is possible that without title II of the old bill being added to the pending bill, that the private corporations might be organized to buy these insured mortgages, but on the other hand it is also possible that the general public would have more confidence in national corporations, and be more free to buy their debentures and securities, if they understood that the said corporations were to be supervised and controlled by the National Government instead of by the various State governments.

The framers of the original bill, the men who have given serious thought to this legislation, were of the opinion, and still are of the opinion, that this bill will work much better if the National Government is given authority to create and control the corporations that will deal in the insured mortgages, provided for in this bill.

Mr. Chairman, it is my intention at the proper time to offer an amendment to strike out from section 201 of title II of the original bill, which the amendment of the gentleman from New York proposes to make a part of the pending bill, the language that would give to these national mortgage associations the right "to lend upon the securities

of mortgages or such other liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located."

This language would make of these national mortgage corporations, mortgage-loaning institutions as well as mortgage-buying institutions. It is this provision of title II of the original bill that drew the fire and opposition of the building-and-loan people, the savings-bank people, in fact all the institutions in the country that are doing a mortgage-loaning business.

All the witnesses who had anything to do with the framing of the original housing bill, who appeared before our committee, stated or have stated since, that it was not their intentions to make these national mortgage associations, loaning associations, and thereby put them in competition with all the other loaning agencies of the country. They stated that these mortgage corporations, organized by the National Government were intended to deal in insured mortgages, and that they had no intentions of giving to such corporations the right to enter into the general loaning field.

Mr. O'CONNOR. Will the gentleman yield?

Mr. REILLY. I yield.

Mr. O'CONNOR. I agree with the gentleman that that provision should not be in there and it was not intended to be there, but that these mortgage associations are only supposed to purchase mortgages.

Mr. REILLY. That is correct.

Mr. MAY. Will the gentleman yield?

Mr. REILLY. I yield to my colleague from Kentucky.

Mr. MAY. Does the gentleman mean to say to the Committee that the Government is in no sense responsible for these mortgages as an underwriter or a guarantor of them?

Mr. REILLY. Yes, the Government is responsible for the mortgages that it insures but such responsibility comes to the Government under section 5 of title I of the pending bill and there is no additional responsibility laid on the National Government because of the including in this bill of title II as provided by the amendment of the gentleman from New York [Mr. SISSON].

I might say further that according to the opinion of experts who have studied the mortgage-insurance problem, the Government stands to lose nothing by insuring mortgages as provided for in this bill, for the reason that by the terms of the bill there is an extra interest charge of 1 percent a year on mortgages insured, and this additional premium, it is claimed, will more than make up for any losses that the Government might suffer.

Mr. LUCE. Mr. Chairman, an overwhelming majority of your Committee on Banking and Currency is opposed to the national mortgage associations. Against that is brought a report that the administration favors national mortgage associations. The great controversies of the world throughout all history have arisen from differences in definition, and while this may or may not be a great controversy, the very core of it is here, also the difference of definition.

What do you mean by "administration"? Were you acquainted with the history of this bill, you would realize that in the present instance the word "administration" means two or three admirable young gentlemen called in to advise the President, who are not fortunate enough to bring to the task the experience of years, the acquaintance with affairs, and the knowledge of human nature that is possessed by Members of the Congress of the United States. [Applause.] These young gentlemen having learned last Saturday that the committee had by an overwhelming vote rejected their proposal, resorted to the columns of the press, and two of the great metropolitan papers in New York each contained on Sunday a column and a half representing and reporting the anger of the "administration" against what we had done, namely, the anger of the two or three young gentlemen to whom I refer. They spread throughout the country the idea that the President of the United States was opposing what the committee had done, while the truth of the matter was that properly defined in this instance the word "administration" mean that two or three young zealots, enthusiastic but without experience, were cross because we had rejected their views.

Now, sir, there served on this committee of 25 not a few Members who have been here through the greater part of the life of one experiment along this same line, an experiment that has taught us bitterly what this new proposal means. The country has had experience now through 20 years with an institution of precisely the same general nature as that which it is proposed here to establish; an institution that has been the most disgraceful, the most scandalous, the most regrettable thing in the whole financial history of this country in the course of our lifetime. I refer to the joint-stock land banks. The story is that when the Federal Farm Loan System was adopted it was found necessary by way of concession in order to get the bill passed, to allow the creation of the joint-stock land banks. The purpose was the same as is in this National Mortgage Association, to gather capital from the wealthier parts of the country and take it to parts of the country that have a lesser supply of funds. The system was expected to receive the supervision of the United States, just as has here been promised within a few minutes. That supervision was of such a character that it permitted some of the most scandalous failures in our financial history.

Read the story of the Kansas City Joint Stock Land Bank. Do you not know that because Congress refused the money necessary for proper supervision, because the agencies of this Congress, the Farm Loan Board, failed to exercise such supervision, that bank and other banks failed and so were lost the thrift savings of thousands and thousands of our citizens? You have no assurance in this bill of any better supervision for this new institution of the same type.

These national mortgage associations are to be privately owned. They will be organized for purposes of private profit. As the mortgages they buy will be insured, there will be no motive of prudence to restrain them. They need give no attention to appraisals, pay no heed to the character or condition of mortgagors. They can put their branch offices in every corner of the land where there is a thrift institution, whether it be a savings bank, a cooperative bank, a building-and-loan association, or any other of the mutual agencies that now thrive because of the knowledge of neighbors. These cooperatives make no great profits. If the new institutions succeed, it can only be by a competition that will drive the mutuals to the wall. Thus you will destroy the most beneficent agencies for the encouragement of thrift mankind has yet devised.

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

The CHAIRMAN. The time has been limited by vote of the Committee.

Mr. LUCE. I understand, but I ask unanimous consent that I may be granted 5 additional minutes notwithstanding the limitation.

Mr. BYRNS. I have no objection, but I want 5 minutes on the amendment. I may say to the gentleman from Massachusetts that it was understood that debate was to be limited to 15 minutes.

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

Mr. CARPENTER of Nebraska and Mr. McFARLANE objected.

Mr. BYRNS. Mr. Chairman, I have very great respect for members of the Committee on Banking and Currency, both the Democratic and the Republican members.

The gentleman from Massachusetts said that the overwhelming majority—I believe that was the expression he used—of that committee is opposed to this amendment. I have observed that only two members of that committee sitting in the Chamber have taken the floor against this amendment, and those are the gentleman from Massachusetts himself and the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Chairman, having mentioned me, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BEEDY. I know the gentleman does not want the RECORD to go uncorrected, so I would remind him that the gentleman from North Carolina spoke in opposition to the amendment.

Mr. BYRNS. The gentleman from North Carolina [Mr. HANCOCK] spoke in opposition to the amendment offered by the gentleman from Texas [Mr. PATMAN]. I am referring to the amendment now under consideration. The gentleman from North Carolina is on the floor and can speak for himself. I am not undertaking to indicate his position one way or the other. I am aware that he spoke vigorously on the Patman amendment, which involved the same question. He does not need the gentleman from Maine to defend his position.

Mr. Chairman, as I was about to say, it has grown to be the habit of many Members upon the minority side, when some reference is made to the administration, to say sneeringly that two or three young men have prepared the bills and have actually dictated the position of the administration upon them. That is not only untrue but it is a rank discourtesy and a reflection upon the great man who sits in the White House, and who has the confidence of the American people to an extent that no President in 100 years has had. [Applause.]

Something has been said here as to the administration's position with reference to title II. I am not in position to tell you what the administration thinks about it. I have no authority to quote the administration, and I am not going to do so. I know that men close to the administration and who are presumed to speak for the administration have said they wanted to see title II put into this bill; and one of them stated it was the very crux of the bill as originally presented to the committee.

I take it that no one upon this floor will deny that the primary purpose of the bill is to relieve the small home owner, the man who is in distress, the man who is in danger of losing his home, the man who is unable to raise money enough to repair and keep it in good condition. Certainly that is the primary purpose of the bill, and if it was not, there is no reason for its introduction and consideration in this House. The bill was not proposed here for building-and-loan associations, as some gentlemen seem to think. It was not proposed in the interest of banks. It was proposed for the relief of small home owners throughout the country and, incidentally, to put life into the great building trades of this country and those who furnish materials for the building and furnishing of homes. [Applause.]

What is this amendment? It is simply another source for the purpose of obtaining more money in order to relieve the home owners of this country, because these mortgage companies are organized to discount their mortgages. That is the purpose of the amendment, and that is the power which is given under this provision, thus releasing money and giving more money to the home owner back in your district and mine. [Applause.]

Mr. Chairman, I hope the amendment will be adopted.

[Here the gavel fell.]

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

The Clerk read as follows:

Amendment offered by Mr. REILLY: In line 15, after the word "of" in line 18, strike out subtitle (a), the rest of line 18, and lines 19, 20, and 21 to and including the word "located" and change subtitle (b) to (a) in line 18 and subtitle (c) to (b) in line 23.

Mr. REILLY. Mr. Chairman, I offer the amendment to correct the amendment offered by the gentleman from New York.

Mr. McFARLANE. Mr. Chairman, a point of order. The amendment to the amendment is not germane.

The CHAIRMAN. The Chair overrules the point of order.

Mr. SISSON. Mr. Chairman, may I say that the amendment offered by the gentleman from Wisconsin to my amendment is satisfactory.

The CHAIRMAN. The question is on the amendment of the gentleman from Wisconsin to the amendment offered by the gentleman from New York.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from New York as amended.

The question was taken; and on a division (demanded by Mr. LAMNECK) there were—ayes 147, noes 90.

So the amendment was agreed to.

The Clerk read as follows:

FEDERAL SAVINGS & LOAN INSURANCE CORPORATION

SEC. 302. (a) There is hereby created the Federal Savings & Loan Insurance Corporation as a corporation under the laws of the United States to have succession until dissolved by act of Congress, which shall be an instrumentality of the United States, which shall have authority to sue or to be sued in a court of competent jurisdiction, Federal or State, and which shall be under the direction of a board of trustees, as is herein provided, and which shall have full power and authority to do all things provided in this title and full power to do all things necessary or incident to the carrying out of the purposes of this title.

(b) The management of the Insurance Corporation shall be vested in a board of trustees consisting of five members. The members of the Federal Home Loan Bank Board shall constitute the board of trustees of the Insurance Corporation and shall serve as such trustees without additional compensation. One of the members of said board of trustees shall be designated as the chairman.

(c) The Insurance Corporation shall have a capital stock of $100,000,000, divided into shares of $100 each. Such stock shall be subscribed for by the corporation and the corporation is hereby authorized to subscribe for and pay for such stock. Said stock may be paid for in bonds of the corporation. Said stock shall pay dividends which shall accrue, if unpaid, at a rate equal to the interest rate on such bonds. The Insurance Corporation shall issue to the Corporation receipts for payments on said stock which shall serve as evidence of the ownership of the same.

(d) The Insurance Corporation shall have power to select, employ, and fix the compensation of such officers, employees, attorneys, or agents as shall be necessary for the performance of its duties under this title, without regard to the provisions of the other laws applicable to the employment or compensation of officers, employees, attorneys, or agents of the United States. No such officer, employee, attorney, or agent shall be paid compensation at a rate in excess of the rate provided by law in the case of members of the Board. The Insurance Corporation shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government and shall determine its necessary expenditures under this title and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds. Nothing in this title or any other law shall be construed to prevent the Insurance Corporation from employing and compensating as its officer, attorney, or employee any officer, attorney, or employee of the Board or the Corporation, subject to the approval of the Board. The Insurance Corporation, with the consent of the Board or of any board, commission, establishment, or executive department or instrumentality of the Government, including any field service thereof, may avail itself of the use of information, services, and facilities thereof in carrying out the provisions of this title, and any such information, services, or facilities are hereby authorized to be so made available.

Mr. STEAGALL. Mr. Chairman, I offer an amendment to correct a clerical error, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. STEAGALL: On page 56, line 23, at the end of the line, insert "carrying out the purposes of this title."

The committee amendment was agreed to.

The Clerk read as follows:

APPLICATIONS FOR INSURANCE AND THE PREMIUM

SEC. 305. (a) Eligible members of Federal home-loan banks are authorized as an incident to membership in a Federal home-loan bank to apply to the Insurance Corporation for the insurance of their accounts and all Federal savings and loan associations shall make such application and upon receipt of such application, the Insurance Corporation shall make such examinations and investigations as may, in its discretion, appear to be appropriate: *Provided, however*, That institutions eligible to insure their accounts under this title may apply for such insurance and be accepted whether or not they are members of a Federal home-loan bank. The Insurance Corporation shall decline the application of any applicant if its capital is impaired or if its financial condition, its financial policies, or its management are unsafe. The Insurance Corporation may decline the application of any applicant if, in the judgment of the trustees, the character of its management or its home-financing policy is inconsistent with sound and economical home financing or with the purposes of this title.

(b) (1) The insurance premium, payable upon acceptance of insurance by an applicant and annually thereafter until a reserve

shall have been built up in the Insurance Corporation to a total of 5 percent of all insured accounts plus other creditor obligations of all insured institutions, shall be a sum equivalent to one-half of 1 percent of the total amount in all accounts of the insured members, plus any other creditor obligations of the insured institution, which sum may, under regulations made by the Insurance Corporation, be paid on a semiannual basis and at any time such reserve falls below said 5 percent such annual premium shall at the next premium-payment date again be continued until the reserve is brought back to said amount. The amount in accounts of insured members and the amount of other creditor obligations may be determined from adjusted statements made within 1 year.

(2) In addition to the initial and annual premium provided in this subsection, the Insurance Corporation is authorized to assess each insured institution extra insurance premiums not exceeding in any one year a sum equivalent to one-fourth of 1 percent of the total amount in all accounts of the insured members, plus any other creditor obligations until the proceeds of such extra insurance premiums are equivalent to all losses and expenses theretofore ascertained.

(c) After examination, acceptable applicants shall be notified of their acceptance, and upon the payment of the initial insurance premium and the issuance of a certificate by the Insurance Corporation, shall become insured institutions and may so represent themselves. No institution not an insured institution shall represent itself as such in any respect whatsoever.

(d) The Insurance Corporation shall give full consideration to all factors entering into the financial condition of applicants and of insured institutions and shall have full power to make such adjustments in their financial statements as the facts may justify.

(e) Any member of any Federal home-loan bank shall have full power as an incident to such membership, upon a majority vote of the board of directors or other governing body, to make application for the insurance herein provided and to pay the premiums herein provided and to take such other action as may be necessary to carry out the provisions of this title or regulations made thereunder.

(f) Any applicant for insurance, after the first year of the operation of the Insurance Corporation, shall pay an admission fee which, in the judgment of the trustees, is an appropriate contribution.

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

The Clerk read as follows:

Amendment offered by Mr. CAVICCHIA: On page 61, line 17, strike out "one-half" and insert in lieu thereof "one-fourth."

Mr. CAVICCHIA. Mr. Chairman, the purpose of this amendment is to lighten somewhat the burden that is going to fall upon building and loan associations. You have already given them a deathblow by taking out title II entirely. This will help them to some extent, and I hope the amendment will be adopted.

Mr. BEEDY. Mr. Chairman, to what section is this amendment offered?

Mr. CAVICCHIA. Page 61, line 17.

Mr. BEEDY. Mr. Chairman, may we have the amendment again reported?

The Clerk again read the amendment.

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

The amendment was rejected.

Mr. ELTSE of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELTSE of California: On page 61, line 5, after the word "applicant", strike out "if its capital is impaired or."

Mr. ELTSE of California. Mr. Chairman, we have already sounded the death knell of building and loan associations in the United States by the adoption of title II. We have thrust the knife into the heart of that business this afternoon, if this measure is passed and signed.

We are setting up insurmountable hurdles for the conduct of private business through building-and-loan associations, and when you return here next January, if you do return, you will find what I have said as a prophecy fulfilled.

With respect to the amendment striking out the words "if its capital is impaired or", the purpose of the amendment——

Mr. STEAGALL. Mr. Chairman, if the gentleman will permit an interruption, the language embodied in the amendment we look upon as merely a clarification of the language originally written in the bill, and there is no objection to the amendment offered by the gentleman from California.

Mr. ELTSE of California. I thank the gentleman.

The amendment was agreed to.

AMENDMENT ADOPTED BY MISTAKE

Mr. PATMAN. Mr. Chairman, I move to strike out the last word. I would like to have the attention of the chairman of the committee for just a moment. A while ago, before we adopted the Sisson amendment, there was an amendment offered by the gentleman from Wisconsin [Mr. REILLY], at page 11, line 15, striking out subsection (a).

I am under the impression this is a very material part of this bill, and I would like to know the effect that striking out that subsection will have on title II. As I understood the intent of this legislation, subsection (a) should remain in the bill.

Mr. STEAGALL. If the gentleman will permit, I think I can make quite clear to him just what is contemplated by the Reilly amendment.

Under (a) the association would be authorized to lend upon the security of mortgages and such other liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located, and under (b) the association is authorized to engage in purchasing, selling, or otherwise dealing in credit instruments secured by such mortgages and liens.

Under the language of (b) they would have authority to do everything except to lend——

Mr. PATMAN. May I ask the chairman of the committee this question: What does the term "such mortgages" mean in line 20, after you strike out subsection (a)? As the gentleman knows, "such mortgages" refers back to subsection (a), and subsection (a) has been stricken out. In other words, the definition of your mortgages has been stricken.

Mr. REILLY. That is a matter that will have to be changed in conference. It was overlooked in offering the amendment.

Mr, STEAGALL. It may be necessary to add something to make the provisions of (b) fit the language of the bill with (a) eliminated, but the intention is perfectly clear and that will be corrected.

Mr. PATMAN. Was it the intention of the framers of the original bill to permit the national mortgage associations to make direct loans to home owners?

Mr. REILLY. I may say to the gentleman that the bill as written provides for such loans.

Mr. PATMAN. That is, title II.

Mr. REILLY. And all the people who came before the committee speaking for the bill, except one man, said they did not intend to do anything but buy and sell insured mortgages, and the other representative sent a note here today to have the amendment put in as I offered it.

Mr. PATMAN. He certainly would not have it refer here to "such mortgages" without any definition. What does "such mortgages" mean?

Mr. REILLY. As I have said, that will have to be cleared up in conference.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. O'CONNOR. Of course, the language is not perfectly clear by reason of the striking out of certain language by the amendment of the gentleman from Wisconsin. It will need some perfecting with reference to "such mortgages", and I imagine that will be taken care of in conference.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. O'MALLEY. Many of us, including myself, who supported the restoration of the original title II believed that these mortgage associations would not only purchase, sell, and otherwise deal in old mortgages but would be in a position to make loans upon new obligations. With the striking out of these four lines, title II creates nothing but a rediscount corporation, and nobody can get any new money out of it for new construction.

Mr. STEAGALL. That is exactly what was desired, and that amendment was adopted before the title was voted on and adopted by the committee.

Mr. O'MALLEY. Why do you need another rediscount corporation? I was under the impression the last new mortgage corporation would provide money for new construction.

The CHAIRMAN. The time of the gentleman from Texas has expired. The Clerk will read.

The Clerk read as follows:

TERMINATION OF INSURANCE

SEC. 306. (a) Upon a majority vote of all those entitled to vote of the shareholders, stockholders, or other final controlling authority of an insured institution to withdraw from the classification as an insured institution, its relationship as such insured institution shall immediately cease and all rights of shareholders, certificate holders, or depositors under the insurance obligation shall terminate immediately, but the obligation to pay premiums as is provided in this title shall continue for 3 years.

(b) The Insurance Corporation shall have power to terminate the insured status of any insured institution at any time for the continued violation of any provision of this title or any regulation made under this title after 90 days' notice in writing from the Insurance Corporation to such insured institution, and, in the event of such termination of the insured status of an insured institution, it shall not thereafter advertise or represent itself as an insured institution, but insured accounts existing as of the date of such termination shall continue as insured accounts for a full period of 5 years, and such institution shall be obligated to continue the payment of the insurance premium herein provided for such period of 5 years. No insured institution shall (1) issue securities after becoming an insured institution the form of which has not been approved by the Insurance Corporation; or (2) violate such necessary and reasonable regulations made by the trustees for the protection of the Insurance Corporation.

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent to return to the Sisson amendment, section 312, and offer an amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BROWN of Michigan. I offer the following amendment.

The Clerk read as follows:

Page 17 of the amendment, in line 15, after the figures "312", strike out all of lines 15 to 21 and the first four words of line 22.

Mr. BROWN of Michigan. If gentlemen will turn to page 17 of the committee bill and examine section 212, they will get the effect of the amendment. It will strike out all of lines 8 to 14 and the first four words of line 15.

The purpose of the amendment is to remove tax-exemption associations, franchises, capital reserves, and surplus, loans, and income.

Mr. BEEDY. And how will the section start if that amendment is adopted?

Mr. BROWN of Michigan. It will capitalize the word "no" in line 15.

Mr. BEEDY. The effect is to make the corporation subject to the Federal taxes like any other corporation.

Mr. BROWN of Michigan. Exactly, and it protects against any discriminatory State taxes.

The CHAIRMAN. The Clerk will read the words proposed to be stricken out.

The Clerk read as follows:

Such associations, including their franchises, capital, reserves, and surplus, and their loans and income shall be exempt from all taxation now or hereafter imposed by the United States and all shares of such associations shall be exempt both as to their value and the income therefrom from all taxation (except surtaxes, State, inheritance, and gift taxes) now or hereafter imposed by the United States and—

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment for the purpose of asking a question. I would like to ask the gentleman, Does the gentleman know of any other case where the Federal Government has elected to levy a tax and deny the State the right to levy a tax?

Mr. BROWN of Michigan. I will say I know of no instance where a strictly private corporation, such as will be the National Mortgage Association here, is exempt from all forms of Federal taxation.

Mr. PATMAN. This, I presume, would exempt them from all taxation except real estate. They will be taxed on their real estate.

Mr. BROWN of Michigan. Mr. Chairman, does the gentleman understand that I am striking out all of section 212?

Mr. PATMAN. In other words, no State shall impose any taxes?

Mr. BROWN of Michigan. No State shall impose any tax on this corporation in excess of what the State imposes on corporations engaged in similar business.

Mr. PATMAN. That is all right. I notice that real property may also be taxed. I have no objection to the amendment.

Mr. BROWN of Michigan. Yes.

Mr. DONDERO. Does it not place the corporation exactly in the same category as any other private corporation?

Mr. BROWN of Michigan. As any other private financial corporation.

Mr. LUCE. Mr. Chairman, in my necessarily somewhat abbreviated remarks about this title, I did not have time to point out that one reason why the joint-stock land banks were able to mulct the public was that they were exempt from taxation and were enabled to announce themselves as instrumentalities of the Government, according to the language of the Supreme Court. In that way they deceived the public into thinking they were backed by the United States, and many investors bought their securities on the strength of this deception. The privileges in question have been continued in various of our enactments, because without making certain new institutions instrumentalities of the Government they could not have been exempted from taxation. The two things go together. To safeguard those who are thrifty and who are invited to buy the securities of such associations as these it seems to me of great importance that they shall not have official warrant for deceiving the public as to their nature. They are in fact essentially private organizations, created for profit, to make money, and, as in the case of the joint-stock land banks, these new associations will have the same opportunity to delude investors if the language remains in the bill as it now stands.

The experience with the joint-stock land banks ought to teach us that hybrid, mongrel banking institutions of this kind are neither safe nor wise. If the thing is to be done at all, it ought to be wholly a governmental affair. There should be in it not a jot of private profit. Better still would it be to leave home financing to the mutual institutions that the people themselves are so successfully developing. In this period of emergency help them with loans where needed, but for the long run let them alone. Remember that their self-help will be the best of all helps.

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

The amendment was agreed to.

The Clerk read as follows:

SEC. 313. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: Page 69, after line 21, add the following new section:

"SEC. 314. There is hereby created a Federal Savings and Loan Advisory Council which shall consist of as many members as there are Federal home-loan bank districts. Each Federal home-loan bank, by its board of directors, shall annually elect a resident of such bank district interested in thrift and the financing of homes as a member of said council, who shall receive, subject to the approval of the board, such compensation and allowances as may be fixed and paid by the Federal home-loan bank of the district from which he is elected. The Federal Savings and Loan Advisory Council shall meet at Washington, D.C., at least four times a year and oftener if requested by the board or by the trustees. Said Council may meet at other times and other places as it may deem necessary and may select its own chairman and vice chairman and the secretary and adopt its own method of procedure. The directors of the Federal home-loan banks shall elect members of the Council annually for a 1-year term and shall fill any vacancies that may occur. The Federal Savings and Loan Advisory Council shall have power:

"1. To confer with the board or the trustees on general business conditions or special conditions affecting the Federal home-loan bank system or its members or the Insurance Corporation.

"2. To make representations concerning matters within the jurisdiction of the board or the trustees.

"3. To request information and make recommendations in reference to the Federal home-loan bank system or its members or the Insurance Corporation.

"4. To recommend the elimination of all unnecessary routine and procedure in the conduct of the home-loan bank system or the Insurance Corporation and make suggestions in the public interest as to the program and policies of these two operations. The recommendations here directed shall be printed as a part of the annual reports to Congress of the Federal Home Loan Bank Board and the Insurance Corporation."

Mr. O'CONNOR. Mr. Chairman, is that a committee amendment?

Mr. HANCOCK of North Carolina. No; it is not.

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

Mr. HANCOCK of North Carolina. Yes.

Mr. PRALL. Does the gentleman propose to pay these members of this council?

Mr. HANCOCK of North Carolina. They will be paid through their own district banks. There is no expense to the Federal Home Loan Bank Board.

Mr. PRALL. Are they to be selected by the association?

Mr. HANCOCK of North Carolina. By the directors of their own banks in the districts.

Mr. PRALL. I do not just understand the purpose of it.

Mr. HANCOCK of North Carolina. Merely to collaborate with the Federal Home Loan Bank Board, which constitutes the trustees of this insurance corporation. It is modeled after the same plan in effect with respect to the Federal Reserve System.

Mr. O'CONNOR. Does not the gentleman think that a long involved amendment like that, not reported by the committee, and which none of us has ever even heard read, is rather an innovation to bring in at this late hour?

Mr. HANCOCK of North Carolina. I do not think so. It is entirely up to the committee. I think it is a good amendment, and I believe it would be very helpful to the legislation.

Mr. PRALL. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. PRALL. What are the duties of this board?

Mr. HANCOCK of North Carolina. They are clearly defined in the amendment. The council would meet four times a year to collaborate with the Board, to aid in expediting the provisions of the law, and to offer such advice, counsel, and recommendations as will be helpful in its administration. I think it has merit and should be adopted.

Mr. ELTSE of California. Mr. Chairman, I rise in opposition to the amendment. I should like to ask the gentleman more specifically about the expense of this board that it is proposed to set up under this amendment.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. HANCOCK of North Carolina. Such expense as may be incurred will be paid by each bank in the district. No expense whatever is assessed against the Federal Home Loan Bank Board. The funds of the different home-loan banks are made up of earnings from their members.

Mr. ELTSE of California. What are the expenses? Are there attorneys' fees and directors' fees?

Mr. HANCOCK of North Carolina. There would be no expense whatever, except a reasonable per diem and traveling expense while attending the meetings with the trustees.

Mr. ELTSE of California. Does the gentleman not think the annual report to Congress would provide the means by which Congress can make an examination?

Mr. HANCOCK of North Carolina. Such recommendations as may be made by this advisory council would be included in the report of the Home Loan Bank Board to Congress.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. BROWN of Michigan. Is this the amendment which was presented to the committee for the establishment of an advisory council?

Mr. HANCOCK of North Carolina. This is the same amendment which I proposed to present to the committee, but, at the request of the chairman, did not present it to the committee.

Mr. BROWN of Michigan. It creates an advisory committee in the insurance corporation?

Mr. HANCOCK of North Carolina. That is correct. The gentleman will remember that I reserved the right in committee to offer this amendment or others to the bill.

Mr. ELTSE of California. May I further ask, Was there any discussion of this in the committee at all?

Mr. HANCOCK of North Carolina. I think there was but very little discussion. It was read, however, in full.

Mr. ELTSE of California. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. HANCOCK].

The amendment was rejected.

The Clerk read as follows:

SEC. 404. Section 6 of the Federal Home Loan Bank Act is amended by striking out "$1,500" in subsections (c) and (e) and inserting in lieu thereof "$500."

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last word. At this point I had intended to introduce an amendment reenacting section 405 of the original bill, which is on page 41. Section 405 provides that—

Section 24 of the Federal Reserve Act, as amended, is amended by adding at the end of the third sentence thereof the following: "*Provided, however,* That in case of loans secured by real estate which are insured under the provisions of the Federal Mutual Mortgage Insurance Act, such restrictions as to the amount of the loan in relation to the actual value of the real estate and as to the 5-year limit on the terms of such loans shall not apply."

There is some difference of opinion about the merits or need of that section. The Federal Reserve bank, as I understand it, does not recognize as a member's proper reserve any mortgage on real estate in excess of 50 percent of the value of the property or any mortgage which runs for a term exceeding 5 years. Of course, under this bill this insurance corporation is going to insure the mortgages up to 60 percent of the value of existing property and up to 80 percent of the value of newly constructed property, and those mortgages may run for more than 5 years. Now, it seems to me that the member banks of the Federal Reserve ought to be permitted to have such collateral legally in their portfolios. I realize, however, the differences of opinion in respect to this subject; but I do hope that, in view of this new set-up which will extend the time of mortgages and will increase the amount at least for which they can be insured, the Banking and Currency Committee will consider the provisions of section 405 carefully and possibly work out some provision such as that section in the other body or in conference.

With the hope that that may be done, at this late hour I do not propose to offer the amendment.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 406. Section 24 of the Federal Reserve Act, as amended, is further amended by adding at the end thereof the following:

"Loans made, however, to finance the construction of residential or farm buildings and having maturities of not to exceed 6 months, even though secured by a mortgage or similar lien on the real estate upon which the residential or farm building is being constructed, shall not be considered as loans secured by real estate within the meaning of this section but shall be classed as ordinary commercial loans: *Provided,* That no national banking association shall invest in, or be liable on, such loans in an aggregate amount in excess of 50 percent of its actually paid in and unimpaired capital. If accompanied by a valid and binding agreement of an acceptable person, association, partnership, or corporation to advance the full amount of the loan upon the completion of the building, notes representing such loans shall be eligible for discount as commercial paper within the terms of the second paragraph of section 13 of the Federal Reserve Act, as amended."

ISSUANCE OF MONEY

Mr. PATMAN. Mr. Chairman, I move to strike out the last word. I will not take up much of the time of the Committee, but I want to invite attention to something that I have often discussed on the floor, about the issuance of money.

Under the provisions of section 406, if a farmer, John Doe, desires to borrow $1,000 to repair his home, he can go to the member bank of the Federal Reserve and give his note for $1,000. This member bank of the Federal Reserve will send the note to the Federal Reserve bank and get $1,000 in new money for that note. The money will be delivered to the local bank. The local bank will pay the rediscount interest rate of 1½, 2, or 2½ percent.

The Federal Reserve bank will get the money from the Bureau of Engraving and Printing here in Washington. The Government does not get a penny for the use of its credit. A Federal Reserve note—currency—is not guaranteed by the Federal Reserve bank. It is guaranteed by the Government of the United States. It is an obligation, a mortgage upon the property and the incomes of all the people of this Nation. It is guaranteed by the Government. Section 16 of the Federal Reserve Act states that when these notes are issued, or when the credit of the Government is extended, that the Government shall collect the rate of interest that may be assessed by the Federal Reserve Board. The Federal Reserve Board many years ago set the zero rate of interest. All these years, therefore, the credit of this Nation has been used absolutely free, without any charge whatsoever, the banks merely paying the cost of the printing of the money, which is 27 cents a thousand dollars, on the average. The Federal Reserve Board at that time had an excuse for saying that the interest rate should not be charged because the excess profits of the Federal Reserve banks at that time went into the Treasury of the United States; but one perfecting amendment after another of the Federal Reserve Act has corrected that to the satisfaction of the Federal Reserve banks, and now the Government of the United States does not get one penny of profit, excess profit or otherwise, from the operations of the Federal Reserve banks. They are private institutions. An individual does not own one penny of stock in them; neither does the Government of the United States. They are absolutely exempt from taxation of all kinds except upon the small amount of real estate that they own. They operate almost exclusively upon the credit of this Nation and do not pay one penny for its use.

I hope our splendid Committee on Banking and Currency, in line with the good and progressive legislation it has brought in in the past, will consider legislation along the line of making private corporations which have had the Government credit of this Nation farmed out to them, pay a reasonable price for its use, if the privilege is not taken away from them entirely. [Applause.]

By unanimous consent the pro forma amendment was withdrawn.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that all Members who have spoken on the bill today may have 5 legislative days within which to extend their remarks in the RECORD.

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

There was no objection.

The Clerk read as follows:

SEC. 407. Section 407 of the Home Owners' Loan Act of 1933 is amended by striking out the word "renewable" from section 2, subsection (c), thereof and from section 4, subsection (d), thereof.

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

The Clerk read as follows:

Amendment offered by Mr. SABATH: Page 76, after the period on line 24, insert the following paragraph:

"(c) That section 2 is further amended to read as follows:

"'(c) The term "home mortgage" means a first mortgage on real estate in fee simple or on a leasehold under a renewable lease for not less than 99 years upon which there is located one or two dwellings for occupancy of not more than eight families, one of which is occupied by the owner as a home, or held by him as his homestead, and having a value not exceeding $40,000; *Provided*, That any building a portion only of which is occupied by the owner as his home shall be included in this definition.'"

Mr. SABATH. Mr. Chairman, there is a restriction in the present law which makes it impossible for the owner of an old building housing five or six tenants, the building still in fairly good condition and used by the owner also as his own home, to obtain a loan. Or, it might be the case of a man who moved his old home to the rear of his lot and built on the front of a lot a new building or an addition to the old homestead.

The purpose of my amendment is to authorize the making of these loans to people who have improved their old homes and their premises. I feel that it is legislation in the right direction. We are today trying to legislate for people who up to this time have been discriminated against and neglected, these home owners and owners of properties occupied in part by small stores as well as being used as a home. They have not been able to obtain these loans.

Earlier in the day we accepted an amendment making possible the guaranteeing of such loans; but it is necessary that we also authorize the making of these loans if we are desirous of bringing relief to these people who, as a rule, are old settlers and builders who have worked their entire lives to build such homes and were industrious enough to improve them.

I have been requested by many Members to eliminate the restriction as to the amount.

Personally, I would be only too pleased if I could aid many hundreds, yes, thousands, of those who were carried away with assurances of continued prosperity when they invested their all in up-to-date apartment buildings and financed their purchase through the aid of their relatives, friends, and their local banks, and who did not utilize the loan services of the high-powered financiers as was the practice in investments in big apartment buildings in the large centers. This is a class of people that I feel with all my heart should be aided and relieved, but, unfortunately, I fear at this late hour it cannot be accomplished, and I do not wish to jeopardize other relief afforded by this bill for which I have contended and pleaded for months and months. I believe that these buildings, or tenements, houses of a type that are occupied by six or seven or eight tenants, are good investments and were not financed by these high financiers. I refer particularly to buildings that have been built by people of the middle class, by men who had confidence in the future of their communities, men who beyond any doubt were the men who have acquired a few thousand dollars that they have invested and who by honest toil and frugality and careful living accumulated sums of money that made possible the erection of such buildings which, in many States, were looked upon with pride in their communities and made possible more up-to-date living quarters. They, therefore, deserve and are entitled to our consideration.

Now, Mr. Chairman, I want to say one word to the Members from the rural sections of our country. Will you please bear with me for one moment? I have a tabulated statement here showing the amount of loans that have been made to farmers. Up to the present time we have loaned on the farms of our country the staggering sum of $2,332,924,000. Notwithstanding all the efforts we have put forth to try to help the home owners of the towns and cities, we have up to now loaned to them only $392,000,000, or about 12 percent of the amount we have loaned to farmers. I voted for all the bills providing for loans to farmers, and I hope you Members from the rural sections will not stand back and refuse to grant this little relief for these honest, thriving, industrious, and prudent people who, I know, will repay the Government as readily as do the farmers of the country. I therefore plead with you and ask you to adopt this amendment. I feel that if I had the time and opportunity to take it up with the committee that the committee would have agreed to the amendment.

Mr. Chairman, in conclusion, let me state that we have loaned money to bankers, insurance companies, railroads,

and to the farmers, and we are making an effort to loan to the home owners, and no one is happier than I that finally some relief is coming to the small-home owner. But that does not signify that we should not also take care of the middle class who, unfortunately, seems at all times to be discriminated against. As I stated, we have thousands upon thousands of our best citizens who have patiently waited in the hope that some day, in view of the relief we are giving to others, something would be done for them. This is our opportunity. Now, why should we not extend to them the relief and aid which is so magnanimously being given and provided for in this bill to others? I have talked to many Members from every section of our country and nearly all have expressed the hope that I would offer this amendment, and that they would be given an opportunity to vote for it, as they realize to the same extent that I do the duty we owe to that class of property owners in the United States. Please remember, this is not to aid the big apartment-house owners. This is simply to aid those who have invested their life's savings in four-, six-, and eight-flat buildings in which they themselves have their homes.

Mr. Chairman, for fear that some Members may be swayed by the attacks of the gentleman from Texas [Mr. TERRELL] against New York, let me call the attention of the gentleman from Texas, and all the Members, to the fact that the great States of New York, Pennsylvania, Illinois, Indiana, and Michigan combined have received less in farm loans than the State of Texas. I also wish to state that the great States of New York, Illinois, and Indiana combined have received less in home owners' loans than the State of Ohio. If I had time to read a comparative statement I have compiled of farm loans and home owners' loans to the various States, I know the Membership would be amazed as to the small amounts which so far have gone to States whose urban populations are greater than their rural populations, clearly demonstrating that I am not asking anything unreasonable but only appealing for fair treatment.

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

The CHAIRMAN. Is the gentleman a member of the committee?

Mr. ELTSE of California. No.

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

The motion was agreed to.

Mr. ELTSE of California. Mr. Chairman, I simply call attention to the fact that if this amendment is adopted you are breaking away from the purposes of the act. You are going to finance semibusiness properties. It does not follow the spirit or the purpose of home financing. The rear-end homes to which the gentleman from Illinois has referred may be aided, but we are asked by this amendment to depart from the larger proposition of financing homes.

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

Mr. MILLARD. Mr. Chairman, a point of order. The gentleman did not yield back his time; therefore there is no time left.

The CHAIRMAN. The point of order is overruled. The gentleman from Texas is recognized for the remainder of the 5 minutes.

Mr. THOMASON. Mr. Chairman, I hope this amendment will be adopted. I had prepared a similar amendment, but I accept this one. There is no class of property owners in the United States, in my judgment, who are in more distress today than apartment-house owners. I refer to owners of small apartment houses. They cannot borrow from the R.F.C., they cannot borrow from the Home Owners' Loan Corporation. This body refused to take care of them in the small industries bill, and now it seems there are some who refuse to take care of them in this bill.

In my city of El Paso, Tex., and I undertake to say that the same condition exists in all the cities throughout this country, there are dozens, perhaps hundreds of apartment-house owners, including many widows and old people, who have saved up a little money and put it into a two- or three-story apartment house with maybe six or eight apartments that rent for from $20 to $50 a month. That is a common thing in my city, where we have many visitors, tourists, and health seekers. I happen to know case after case of some fine, deserving widow, or poor man and his wife, living in an apartment house with 8 or 10 apartments, that cost perhaps $25,000 or $30,000, and on which they paid half, being all their life savings. Their loans are past due and they are being foreclosed. Nobody will renew their loans. If we propose to help people in distress, and these folks have ample security, and cannot get loans from anyone else, this amendment by the gentleman from Illinois should be adopted. These homes are all they have. I happen to know what this situation is because I have investigated it in my own city of El Paso and have personal knowledge of the distress of many fine citizens. I know what it is in Albuquerque. I know what the condition is in Tucson, in Dallas, Fort Worth, Houston, and the same condition exists in practically every little city in the country. I am not talking about the great big, fine, family hotel, or the 8- or 10-story apartment houses. I am talking about the little apartment house which is covered by the amendment offered by the gentleman from Illinois, an apartment house containing perhaps eight apartments and which did not cost over $30,000. I know that mortgage and loan companies as well as insurance companies have refused to refinance or renew these loans at all, and if they do entertain the proposition, they charge a fee that is out of all question, running the interest up to 12 or 15 percent. I think the amendment should cover at least 12 apartments and a value of $50,000, but since I know you would not pass that, I beg of you to adopt this amendment.

Mr. Chairman, this class of home owners in the United States is entitled to some relief. You have refused to give them relief in any bill that has come on the floor of this House, and I plead with you, in all fairness and in all justice, to help this class of our deserving citizens to obtain this relief. The security is ample, the loan is safeguarded in every way, and I feel sure from your response that you will vote for this amendment. [Applause.]

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

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 79, noes 81.

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

Tellers were ordered, and the Chair appointed as tellers Mr. SABATH and Mr. STEAGALL.

The Committee again divided; and the tellers reported that there were—ayes 105, noes 81.

So the amendment was agreed to.

The CHAIRMAN. The question is on the adoption of the substitute committee amendment as amended for the original bill.

The substitute committee amendment as amended was agreed to.

Mr. STEAGALL. Mr. Chairman, I desire to announce that the gentleman from Maryland [Mr. GOLDSBOROUGH] is absent today because of his desire to be present at the graduation of his son.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H.R. 9620, pursuant to House Resolution No. 434, he reported the same back to the House with an amendment adopted by the Committee.

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

The amendment was agreed to.

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

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 176, noes 19.

So the bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read as follows: "A bill to improve housing conditions; to provide employment; to provide for the insurance of mortgages; to insure the savings in savings-and-loan associations and similar institutions; to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, the Federal Reserve Act, and the Farm Credit Act of 1933; and for other purposes."

EXTENSION OF REMARKS—H.R. 9620

Mr. YOUNG. Mr. Speaker, this housing bill which I support is a measure exceedingly close to the heart of our President. In his message he stressed the necessity of the enactment of a three-point program, including adequate and sanitary housing for our people, old-age security, and unemployment insurance. I gladly follow the President's recommendation.

There could be no better time than the present to give consideration to the needs of people of the congested districts of our cities. To those who say that cities such as New York, Chicago, Philadelphia, and Cleveland will be the only places helped by the passage of this housing measure, let me say that wherever in America there are men and women unemployed, and children inadequately clothed, or hungry, such unemployed and unfortunate will be helped by the enactment of this legislation, and as long as there are tenements infesting our cities and populated by underpaid or unemployed men and women and underprivileged and underfed children, the products of Ohio farms and of western ranches will remain unsold. Penniless families in the slum districts of cities cannot buy the products of farms. Let us hope that Members from the South and the West will join today with us who have among our constituents those who have heretofore been crowded in the slums of cities.

President Roosevelt's message to Congress laying down a constructive social program—old-age pensions, unemployment insurance, and housing designed to make it possible "for American families to live as Americans should"—will by future historians be regarded as the greatest state paper since the emancipation proclamation.

Representing, as I do, all of the people of Ohio, I support with all my energy and enthusiasm the administration housing bill now before us.

The slums of our cities—and unfortunately some of my constituents live in tenements and shacks unfit for human habitation—must be abated altogether. The President, in his great message to us of a few days ago, stated that the work of the Seventy-third Congress is a "splendid justification of the vitality of representative government." American faith in American institutions has, in fact, justification on the record of this Congress in enacting the great humanitarian recovery program of our President. I have supported the recovery program of this administration and, if I am returned here for a second term by my constituency, expect to continue to uphold the leadership of President Roosevelt.

In the city where I make my home we find that in the congested, closely built slum sections mortality from tuberculosis is 400 percent greater than in rural Ohio.

Children of our great cities will, under the beneficent auspices of the Administration Housing Act, in the future have wholesome places to live, grounds in which to play, a place to sit—not on the curbstone with feet on the pavement, but where their feet may touch good mother earth.

President Roosevelt, in his message, demanded elimination of slums and abatement of unsanitary city tenements.

We are voting on this important bill providing for slum clearance and additional funds for the Home Owners' Loan Corporation on the first anniversary of the enactment of the law creating this great humane corporation. This is a fitting sequel to our work which met presidential approval 1 year ago today. It is unfortunate that, as the President said in his great message, there are a few who would still go back, who would return to the old order and to the old deal. They face the setting sun; their shoes are nailed to the floor. We go forward with new hope to the new order of things.

In urging, Mr. Speaker, the passage of this housing measure, I am voting to bring more of God's sunlight into the lives of men, women, and children, giving employment and purchasing power to more of our people, saving homes for distressed home owners, relieving suffering and distress, and abating unsanitary and unfit habitations and replacing them by model apartments and homes. This is an act of social justice. It is an act that will make for better citizens in years to come. One of the first duties of Congress is to save the homes of our people. Homes have always been the bulwark of society and government.

As Congressman-at-large from Ohio, I have supported every bill that would feed the hungry and help provide employment for the unemployed. I supported the bill to impose the electrical tax on public utilities instead of on the people. I have spoken and worked for the expansion of the C.W.A. and P.W.A. Every man and woman who needs work should have work. Within a week we have created a Federal Deposit Insurance Corporation guaranteeing bank deposits to the amount of $5,000 for any one depositor. In passing, may I mention that there have been no bank failures whatever since President Roosevelt took a firm grasp on the banking situation. We have made available for the relief of depositors in closed banks of our country more than $1,000,000,000 to enable the Reconstruction Finance Corporation to purchase assets of closed banks. Congress provided that depositors will be paid off by purchase of these assets at a "liberal appraisal in anticipation of orderly liquidation over a period of years instead of on the basis of forced selling values in a period of business depression." This law will place more money in every county of Ohio, and in every nook and corner of our country. With the passage of this administration housing measure, we go forward to a better day for economic security, prosperity, and happiness for all of our people.

A colleague spoke awhile ago of criticism leveled at Congress. Most of the criticism leveled at Congress comes from some ambitious souls who while promising much, proclaiming patriotism and devotion to the public interest, have an eye out for their own selection to the place held by some hard-working Congressman. Some persons never praise the meritorious acts of a Congressman, but endeavor to stir up feeling in order to make room not for someone more capable but for themselves. The selection of Congressmen at large to represent Ohio is the duty of the people. I am placing my record before the Democratic Party of Ohio, and then before all citizens of my State. Let my record speak for itself.

I have filed my declaration of candidacy for Congress. This office belongs to the sovereign people of Ohio. It is not mine. If my constituents believe that some other agent will serve them better and more faithfully, they should retire me. If they approve my service in upholding President Roosevelt, they will retain me for a second term. They will not exchange experience for inexperience; loyalty for lack of faith. They know that length of congressional service and hard work determine the influence and effectiveness of a Congressman. They know that I responded to the call of duty in a time of grave national emergency. They will, I hope, return me for a second term to help complete the recovery program of our President and bring steady employment and economic security to all.

This bill, Mr. Speaker, will benefit every farmer in Ohio as well as people of our cities. During the special session of the Congress and also during this session, I have supported every measure for farm relief and for the betterment of agriculture. There is much more to be done. The economic condition of farmers of our section of the country is most distressing. It is my hope that the next Congress will provide a greater degree of relief to our farmers. I was born and brought up on a farm. Farmers are entitled to fair profits. Curtailment of production will never solve their

problems. We have no right to ask the farmer to sell his hogs for 3 or 4 cents a pound. No manufacturer of necessities is required to sell his product for less than cost. There can be no real prosperity until our farmers are contented. Let us restore our neighbors, in the country and in the cities, to prosperity. I am for recovery first and politics afterwards. No Congressman can listen to the despairing cries of farmers, bankrupt and facing foreclosure, and of city workers, jobless, without uttering in his heart a solemn prayer that the Almighty help him to better serve his constituents and his country. [Applause.]

AMENDMENT OF THE RAILWAY LABOR ACT

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged report for printing in the RECORD:

House Resolution 437

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9861, a bill to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

THE LATE REPRESENTATIVE THOMAS C. COFFIN

Mr. MOTT. Mr. Speaker, I ask recognition to proceed briefly out of respect to our late colleague, THOMAS C. COFFIN.

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

There was no objection.

Mr. MOTT. Mr. Speaker, today, in his native State of Idaho, and just at this hour, for there is a 3-hour difference in the time, the body of our friend and colleague, THOMAS C. COFFIN, is being laid to rest. He is home now among those he loved and who loved him. He is among his own people whom he served so faithfully and well during his brief tenure as a Member of this House.

With him also today are four of his friends and colleagues appointed by the Speaker to attend the funeral as official representatives of the Congress of which he was a part. I had the honor of being one of those appointed to go upon this mission. Circumstances which I could not control prevented my making the long, sad journey which has ended today at our colleague's grave; but I wish to take occasion at this time here to pay a brief and humble tribute to my friend.

If someone were to ask me how long I had known TOM COFFIN, my first inclination would be to say that I had known him always, for he was one of those rare men whose friendship is such a real and such a living thing that it becomes a part of the very lives of those on whom it is bestowed, and to those fortunate ones it seems to have no beginning and no end.

The fact is that, as time is measured, my acquaintance with TOM COFFIN was brief, for it began only with the commencement of our service here as new Members of the Seventy-third Congress. But in that time, brief as it was, there grew up between us a friendship and an affection such as I have held for few men in my lifetime. It is a little hard for me to define it, but there are those here who will understand it, for many of my colleagues, I know, felt for TOM COFFIN the same affectionate regard that I did. Of him it may truthfully be said that to know him was to love him, and that those who knew him best loved him best.

The first time I really came to know TOM COFFIN was shortly after the session began. We had had a long discussion on politics, and on that subject, then as afterwards, we usually disagreed. This, however, made no difference, for, like all of his other friends, I had a very profound respect not only for his opinions and his convictions but for the sincere and courageous manner in which he advocated them. At the end of this discussion, I remember, he said, "Your first name is Jim, isn't it?" I said, "Yes." He said, "My name is Tom." And so our friendship, which I shall always remember as one of the finest things in my life, began, and so it continued up until a little while ago, when death came, unexpected, swift, and sudden, and took my friend away.

Mr. Speaker, I pay TOM COFFIN the highest tribute I can pay to any man when I say that he was thoroughly good—good in the highest and best sense. There was no meanness in him. There was nothing of littleness, nothing of selfishness. His greatest ambitions was to be of service to those who needed him, and to do good was a part of his religion.

It is hard for us to understand why a man like this, just on the threshold of a fine career—and those of us who knew him best were convinced that he had begun here a career not only of great usefulness but of great distinction—it is hard for us to understand why, in the very flower of his manhood, when he was needed most of all, he should be stricken down; but none of us may attempt to draw aside the veil nor seek to solve the riddle of eternity.

It may be that it was intended from the beginning that TOM COFFIN's work should end here, and if that is so I think there is some satisfaction in knowing that even before he came to us his public life was such that he could have been called at any time during the past 5 years and still he would have left behind him a splendid and a victorious career.

Mr. Speaker, when my time shall come, when I shall go down to the river of death and its chill waters shall dampen my feet, may I express the hope that friends will be able to say of me as I now say of TOM COFFIN, "He has fought the good fight, he has finished his work, the world is better for his having lived in it."

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9410), that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, disagree to the Senate amendments and ask for a conference.

The SPEAKER. Is there objection?

Mr. HASTINGS. Mr. Speaker, I want to call the attention of the Members of the House in the most earnest way to Senate amendment 209, placed in this bill, H.R. 9410, "providing that permanent appropriations be subject to annual consideration and appropriation by Congress", which is as follows:

SEC. 25. In addition to the regular estimates the President is authorized to submit to the Congress, for the fiscal years 1936 and 1937, in the annual budget for any department, independent establishment, bureau, or office, estimates of appropriations in alternate form whenever in his judgment such action would result in greater economy and efficiency in the control and use of public funds.

This is an amendment which has been presented over and over again. It is now dressed up a little differently. The Indian Bureau sponsored an act approved March 2, 1933, which had the same purpose in view, which is as follows:

That in addition to the estimates of appropriations for the Bureau of Indian Affairs transmitted in the Budget for the fiscal year 1935 in the customary order and arrangement, there shall be submitted for the consideration of Congress an alternate arrangement of such estimates with a view to simplification and clarity of presentation and consideration thereof.

After the hearings were concluded before the subcommittee on the Interior Department appropriation bill for 1935 and the members of the committee were ready to mark up the bill, the Commissioner of Indian Affairs and his budget officer appeared before the subcommittee and were accorded an extended hearing, but I regret that this hearing was not taken down by a stenographer and reported.

However, at this hearing an alternate budget was presented, as provided in the act of March 2, 1933, and the members of the subcommittee will confirm what I say when I state that in discussing the alternate budget plan neither

the Commissioner nor his budget officer contended that there would be any economy in public expenditures or any saving.

Repeated questions were asked of them on this point and neither contended that it was in the interest of economy, but they insisted that it was more scientific, or more flexible, and they dealt in generalities. However, after all that was said and done, what the Indian Bureau was trying to have the subcommittee do was to consolidate appropriations into lump sums.

For instance, in the printed bill containing estimates for the Indian Bureau, covering some 15 or 20 pages, directing in detail how the appropriations should be expended for educational purposes, the alternate budget plan, in a half dozen lines, made a lump-sum appropriation of $7,990,565, and left all the details covering the expenditure of the money to the Bureau of Indian Affairs.

As one having had a little experience on the Committee on Appropriations, permit me to warn the Members of the House against this alternate budget plan. At that time it was only requested that this plan should apply to the Bureau of Indian Affairs, but let us now follow the meanderings of the sponsors of this plan. When, after the detailed presentation of the matter to the subcommittee, which rejected the plan, these same representatives of the Indian Bureau went before the subcommittee of the Senate committee having the preparation of the Interior Department appropriation bill in charge, and there made an earnest appeal for the alternate budget plan. They were unable to secure the change by the Senate committee, but were able, as shown on pages 46 and 47, amendment 10 of the Interior Department appropriation bill for 1935, to have the estimates submitted in the alternate plan, as follows:

> For the fiscal year 1935 all expenditures by the Indian Service shall be segregated by functions of the Service and jurisdictions, such expenditures to be classified thereunder in accordance with approved character and object designation; and the estimates for the Bureau of Indian Affairs for the fiscal year 1936 and thereafter shall be prepared and submitted to the Bureau of the Budget and to Congress accordingly: *Provided,* That for the fiscal year ending June 30, 1936, in addition to the budget provided for by this paragraph, there shall also be prepared and submitted an alternate budget for the Bureau of Indian Affairs which shall follow the order and arrangement of the appropriations for the fiscal year ending June 30, 1935.

When the bill went to conference it was urged that the Bureau of Indian Affairs' representatives stated that the plan would be more scientific, and about the same arguments were used that were presented to the House subcommittee charged with the preparation of the bill. After an extended argument this amendment was rejected by the conferees.

It will be noted that that plan only applied to the estimates for the Bureau of Indian Affairs. The persistent representatives of the Indian Bureau, not content when the plan was rejected by the House subcommittee in charge of the Interior Department appropriation bill and by the Senate committee, secured the introduction of a bill, S. 2874, which has for its purpose the same object. The bill is as follows:

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

This bill came up in the House for consideration and was placed on the Consent Calendar, but after an explanation it was objected to in the House.

The representatives of the Indian Bureau, not to be thwarted, and with a persistence worthy of a better cause, went before the Senate Committee on Appropriations having in charge this deficiency bill (H.R. 8410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and as a result the amendment above mentioned, number 209, was added.

I want to invite your attention to the broadened scope of this amendment. It does not stop with appropriations for the Indian Bureau, but this alternate Budget plan would apply to all estimates for each department of the Government. In other words, it would ask Congress to make appropriations in a lump sum and give the various departments, and the heads of divisions, a free rein in the expenditure of the money appropriated from the Public Treasury.

This is the most dangerous plan that has ever been presented to Congress in the 18 years that I have seen service here. It practically seeks to destroy the legislative will of Congress as to all appropriations. This amendment, of course, is a legislative rider. It is not germane to the bill, and the House conferees could not accept it without bringing it back to the House for a separate vote.

The sponsors of the plan, however, are gleeful in the hope that in the excitement and hurry incident to the closing hours of Congress, they may put the plan over. If the plan is adopted the Committee on Appropriations may as well fold up its tent and close its doors and confer upon the various departments and the heads of divisions the authority to use the money appropriated in a lump sum in any way they choose. This is what they want. This is what they are insisting upon, and what they hope to accomplish by this amendment to the pending bill. They will not get it by my vote. All of the members of the Committee on Appropriations know that in lump-sum appropriations all items are not gone into and examined with the same detail as when the appropriations are made in separate items.

Suppose, for the sake of argument, that Congress appropriates $7,790,565 for Indian education, in a lump sum, to be disbursed by the Bureau of Indian Affairs. This would practically turn over to the Bureau this vast sum to be expended under its direction. There are, as I recall, 46 Indian boarding schools, reservation and nonreservation. From year to year appropriations must be made for improvements and repairs. How is any Member of Congress going to be able to amend this bill if the lump-sum plan is adopted? At present each item appropriated is gone over by the subcommittee and detailed inquiries are made as to how the money is to be expended, and every dollar must be accounted for. Lengthy hearings are held, and these hearings are printed and indexed, and each Member of the House is able to find any item and how the money is expended.

Since I have been a member of the Committee on Appropriations no lump-sum appropriation has been added to or materially changed. In effect, this transfers the power of making appropriations to the heads of departments, because they make estimates in lump sums and these will not be inquired into with the same detail as they are if appropriated for separately.

If Congress adopts the alternate budget plan now, in my opinion, in the course of a few years all the annual appropriation bills will be reduced to a few pages. To illustrate, for the Interior Department there will be a lump-sum appropriation for the Secretary of the Interior and his office force, followed by lump-sum appropriations for the Indian Bureau, the General Land Office, the Reclamation Service, National Parks, and so on as to all activities under the Interior Department. Let me warn the Members of the House that that will be the result. The same will be true of every other department of the Government. Take the independent offices appropriation bill, and you will find lump sums will be asked covering all departments under that bill. The same will be true of the War Department, the Navy Department, and all other departments of the Government.

I am not going to vote for such a plan. I take no stock in the sugar-coated language in this amendment which closes with the following:

> Whenever in his judgment such action would result in greater economy and efficiency in the control and use of public funds.

Of course the head of every department will immediately recommend this plan because they do not want Congress to inquire into the details of the expenditure of the people's money. If this plan is adopted why not abolish the House and Senate Committees on Appropriations and permit esti-

mates prepared by the Budget Bureau to be sent up in lump sums and the money allocated to the various departments to be expended under their supervision?

Members of the House do not be deceived. That is exactly what the sponsors of this plan are attempting to accomplish. They know that few Members of the House have had opportunity to make a detailed study of this plan and their hope is that the Members do not understand it and that the plan will be accepted.

This amendment would not have been in order in the House. It is urged on behalf of the Senate committee that the amendment will do no harm. Yes; it will. It allows the "camel's nose to get under the tent." It is the beginning of the adoption of the lump-sum appropriation plan. If, after mature consideration, we believe this plan is not for our best interests, why vote for it? Why not strike it square on the head every time it shows up? That is what I have done and what I am going to do during the remainder of my term of service here.

I am giving the history of how this plan has been sponsored and how it has grown from an application of the Bureau of Indian Affairs until this amendment is made to the pending bill, so that it will extend the plan to every department of the Government.

In the days to come, if this plan is adopted, it cannot be said that I was deceived by it or that I did not have the courage to voice opposition to it.

Mr. BLANTON. Reserving the right to object, I want to say that there are two Senate amendments on this bill that should be eliminated, even if we have to hold this bill up until doomsday. One is the amendment that permits all of the fees collected from affiliated banks to pay the expenses of bank examiners and their salaries to be kept in the Federal Reserve banks to the credit of the Comptroller of the Currency, and which takes from the control of Congress this money, and the fixing of salaries of these bank examiners. The salaries paid are $20,000 to a New York bank examiner, $17,500 to another bank examiner, and so on, and it is an infamous outrage to permit these large salaries to continue. We must stop it. The other is the naval hospital amendment, and the gentleman from New York [Mr. GRIFFIN] ought to promise us that he will never agree to these two amendments but will bring them back to the House, if necessary.

What is the gentleman's attitude on that?

Mr. GRIFFIN. I do not think the gentleman ought to try to tie me down in advance.

Mr. BLANTON. The gentleman from New York has done such splendid work on this bill in abolishing these 367 backdoor appropriations that have been spent annually for many years with no control of Congress, and putting them back into the control of Congress, that I hope he is not going to let the Senate undo all of that splendid work.

Mr. GRIFFIN. We will do the best we can. We are going into a conference with the Senate tomorrow.

Mr. BLANTON. I hope the gentleman will go over there and make the Senate understand that it would be futile for it to insist on those two propositions because we here will vote down the conference report, if it comes back with them in it.

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

There was no objection.

The Chair appointed the following conferees: Mr. GRIFFIN, Mr. MCMILLAN, Mr. PARKS, Mr. CARY, Mr. GOSS, and Mr. WIGGLESWORTH.

SILVER

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, with Senate amendments thereto, and consider the Senate amendments en bloc in the House.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 3, line 5, after "3" insert: ", and such certificates shall be placed in actual circulation."

Page 7, line 3, after "transfer." insert: "The Commissioner shall abate or refund, in accordance with regulations issued hereunder, such portion of any tax hereunder as he finds to be attributable to profits (1) realized in the course of the transferor's regular business of furnishing silver bullion for industrial, professional, or artistic use and (a) not resulting from a change in the market price of silver bullion, or (b) offset by contemporaneous losses incurred in transactions in interests in silver bullion determined, in accordance with such regulations, to have been specifically related hedging transactions; or (2) offset by contemporaneous losses attributable to changes in the market price of silver bullion and incurred in transactions in silver foreign exchange determined, in accordance with such regulations, to have been hedged specifically by the interest in silver bullion transferred."

Page 8, line 19, strike out ", and before the tax under this subdivision takes effect."

Mr. DOUGHTON. Mr. Speaker, I move to concur in the Senate amendments, and yield 5 minutes to the gentleman from Washington [Mr. SAMUEL B. HILL].

Mr. SAMUEL B. HILL. Mr. Speaker, amendment numbered 1 of the Senate amendments is purely clarifying, and makes certain that the certificates issued on the basis of the silver purchased under this act shall be placed in circulation. We think that the language of the act already insures that, but apparently there was some question in the minds of the Senate as to whether it did insure the placing of these certificates in circulation, hence the amendment.

Amendment numbered 2 is not a clarifying amendment. It is an addition to the act as passed by the House, and it exempts from the tax, or rather permits the Commissioner of Internal Revenue to rebate the tax, on certain transactions in silver which are not of a speculative character. It authorizes the rebatement under certain conditions of the tax when the silver is sold at a profit for industrial, professional, or scientific purposes, and not for speculation. That is, where the profit in the transaction is not by reason of the change in the market price of the silver sold, but by reason of the service rendered in furnishing the silver for the purposes named, independent of the change in the market. It also provides for the deduction of losses in this character of transaction where the loss occurs through a hedging process employed for the protection of the transferor of the silver bullion.

Mr. MARTIN of Massachusetts. Is it quite clear that this tax does not apply to the manufacture of silverware?

Mr. SAMUEL B. HILL. The tax does not apply in a case of that kind. This amendment further provides for an offset of losses from profits where the loss occurs in a hedging process to protect the transferor of silver bullion; for instance, in the case of a transfer or sale by a refiner or processor of silver to the manufacturer, if there is any such hedging and such loss. It also provides for the deduction of loss from profits when the loss occurs in a hedging process in transactions in silver foreign exchange. Unless there are other questions on this particular amendment, I will pass to amendment numbered 3.

Amendment numbered 3 on page 8, line 19, strikes out the following language after the figures "1934": "and before the tax under this subdivision takes effect."

The language stricken by this amendment was apparently an inadvertence in limiting that provision of the act to transactions completed before the effective date fixed in the act. By striking out the language in question it makes the provision applicable to wash sales, completed either before or after the effective date of the act.

Mr. Speaker, as a further explanation of this amendment for the RECORD I ask unanimous consent to extend my remarks in the RECORD by inserting a statement which I send to the reporter's desk.

The SPEAKER. Is there objection?

There was no objection.

The statement referred to is as follows:

The tax established under section 8 is designed to tax those profits arising from a change in the market price of silver. Without such a tax holders and dealers in silver would profit unduly

by reason of the Government's entering into the silver market to acquire silver. The principle of the tax is to assess what amounts to an unearned increment.

Persons regularly engaged in the business of furnishing silver for industrial, professional, and artistic purposes may profit by the increase in the market price of silver and such profit should be taxed. These persons, however, make a small additional profit attributable not to changes in the market price of silver but to the service they render, as, for instance, the service of a wholesaler in acquiring silver in large amounts and selling it in smaller lots to factories which use silver for different industrial purposes, the service of selecting silver from particular mines which has slight intermixture of other metals, making it valuable for certain specific purposes and the service of alloying with the silver certain metals necessary for particular industrial purposes. This profit proceeds from the efforts of the person engaged in this business and does not result from governmental action. This profit is subject to the regular income tax but should not be subject to the special transfer tax established under the Silver Purchase Act. The first part of the amendment provides for an abatement or refund of tax attributable to the special-service profits.

A number of persons furnishing silver for industrial, professional, or artistic uses are obliged to take a market position in silver during the period ranging from a few weeks to several months during which the silver is being refined or otherwise processed. Many of these refiners or processors seek to avoid speculating in silver by hedging against the market position they have been obliged to take. For instance, a refiner buys a million ounces of silver in crude silver-bearing materials. He calculates it will take 2 months to refine this. To avoid a market risk on the day he purchases the silver he sells an equivalent amount of silver out of inventory maintained for the purpose, or he enters into a contract for the delivery of silver at the time when he thinks the refining will be completed at a price fixed in the contract. The person who buys the silver for future delivery may be speculating in silver, and his profit should be taxed, but the refiner or processor, who sells silver is hedging. If the refiner or processor in the course of these hedging transactions makes a profit on one transaction he will make a corresponding loss on another transaction. It is this balancing of profit and loss which enables him to avoid speculating in silver. His net position shows no profit nor loss by reason of the changes in the market price of silver bullion. It would seem unfair in such transactions to tax the refiner on those profits which are offset by corresponding losses in related hedging transactions. The last part of the amendment authorizes the abatement or refund of that portion of the tax which is attributable to those profits against which there have been corresponding losses in hedging transactions.

In general the effect of the amendment will be to discourage speculation in silver by persons furnishing silver for industrial, professional, and artistic use by permitting regulatory provisions to make certain that a tax is paid on all speculative profits but not on business profits which arise independently of market changes or because of hedging transactions to prevent profit or loss from such market changes.

On page 8, line 19, strike out the comma and the words "and before the tax under this subdivision takes effect."

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, during the course of the consideration of the so-called "silver bill" in the House, I made some criticisms of the general counsel to the Secretary of the Treasury, and it was based on what I conceive to be a lack of knowledge on the general subject of the silver question. He was the only source of information that the Ways and Means Committee had, and I, for one, thought, as far as silver was concerned, that it was very weak information. We did have, as I stated then, information from a House Member, the gentleman from Texas [Mr. DIES], but so far as the Department itself is concerned, there was nothing of any constructive nature brought to the committee. I have, however, a higher regard for Mr. Oliphant as a lawyer than as an expert on silver, and here is what he says in a letter to Senator PITTMAN in connection with amendment numbered 1:

DEAR SENATOR PITTMAN: Section 5 of the silver bill directs the Secretary of the Treasury to issue silver certificates to an amount not less than the cost of the silver purchased under section 3. The legal effect under existing law of the words "to issue" silver certificates is that they must be not merely printed but also put into circulation.

Very truly yours,

HERMAN OLIPHANT,
General Counsel to the Secretary.

Accordingly this first amendment is absolutely unnecessary. The ruling of the Department is that the bills are actually in circulation. Therefore, why add this language? But if it will appease the feelings of the Senate or any Member of that body to do so, let them have it.

Amendment no. 2 is one that is a protection to industry, as designating between industry and speculation. It does protect the industrial use of silver from the tax provided for in the bill. The first portion of it, therefore, to my mind, is of value. The second part of it I am not so clear about, and I do not think any very definite explanation has been made of it, namely, the possibility of purchasing silver for hedging purposes from foreign countries. I am not going to offer any objection to it, but I am not at all certain that it is worth while.

With all due respect to my colleague from Washington, Mr. SAMUEL B. HILL, I really failed to grasp his explanation of the last amendment. The matter was considered in the Committee on Ways and Means this morning, and the expert drafting representative acknowledged that he did not know what it meant. If he did not know, I do not see how we can be expected to, and we might just as well take this amendment as we took the whole silver bill, swallow it whole, and let it go along just as it is. Therefore I hope that the amendments will be concurred in en bloc, as moved by the chairman of the committee.

Mr. McFADDEN. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. McFADDEN. I notice in the morning press a continuation of the maneuvers looking toward cancelation of the war debts. The suggestion is definitely made by Secretary of State Hull to the British that we accept payment of the June 15 amount due from Great Britain in kind. "In kind", of course, means British goods. It means silver, as is already discussed in London today. I wish to ask the gentleman if it is contemplated by the administration to accept silver in payment of the war debts? I recall when we passed the tariff bill the other day the gentleman from Tennessee [Mr. COOPER] advised me that there was a provision in the tariff bill which would forbid discussion by the President of the purchase of merchandise or the mixing of the tariff question with the war debts, that the President was specifically forbidden to mix his tariff negotiations with war debts. Hardly before the ink is dry on the Tariff Act we find the Secretary of State mixing trade and war debts.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. TREADWAY] has expired.

Mr. McFADDEN. I was asking the gentleman from North Carolina whether or not the administration's policy is to now take silver as merchandise as part of the settlement in kind as suggested by the Secretary of State today in his note to the British Government?

Mr. DOUGHTON. I do not understand that inquiry to be at all pertinent to the matter under consideration now. If we go into speculation as to what might be in the mind of somebody, without knowledge or without any expression from the administration, we would be here until daylight tomorrow morning. The gentleman can form his own conclusions as far as that is concerned.

Mr. Speaker, I think the fact that the Senate made no substantial or material amendment to this bill, none but what we can readily accept, is a compliment to the work of the House in respect to this legislation. I think, furthermore, the fact that the gentleman from Massachusetts [Mr. TREADWAY] has no objection to these amendments is also a compliment.

Therefore, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

A motion to reconsider the vote by which the Senate amendments were agreed to was laid on the table.

TAXATION OF MANUFACTURERS, IMPORTERS, AND DEALERS IN CERTAIN FIREARMS AND MACHINE GUNS

Mr. DOUGHTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9741) to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal

of such weapons, and to restrict importation and regulate interstate transportation thereof.

The Clerk read as follows:

Be it enacted, etc., That for the purposes of this act—

(a) The term "firearm" means a shotgun or rifle having a barrel of less than 18 inches in length, or any other weapon, except a pistol or revolver, from which a shot is discharged by an explosive if such weapon is capable of being concealed on the person, or a machine gun, and includes a muffler or silencer for any firearm whether or not such firearm is included within the foregoing definition.

(b) The term "machine gun" means any weapon which shoots, or is designed to shoot, automatically or semi-automatically, more than one shot, without manual reloading, by a single function of the trigger.

(c) The term "person" includes a partnership, company, association, or corporation, as well as a natural person.

(d) The term "continental United States" means the States of the United States and the District of Columbia.

(e) The term "importer" means any person who imports or brings firearms into the continental United States for sale.

(f) The term "manufacturer" means any person who is engaged within the continental United States in the manufacture of firearms, or who otherwise produces therein any firearm for sale or disposition.

(g) The term "dealer" means any person not a manufacturer or importer engaged within the continental United States in the business of selling firearms. The term "dealer" shall include wholesalers, pawnbrokers, and dealers in used firearms.

(h) The term "interstate commerce" means transportation from any State or Territory or District, or any insular possession of the United States (including the Philippine Islands), to any other State or to the District of Columbia.

(i) The term "Commissioner" means the Commissioner of Internal Revenue.

(j) The term "Secretary" means the Secretary of the Treasury.

(k) The term "to transfer" or "transferred" shall include to sell, assign, pledge, lease, loan, give away, or otherwise dispose of.

SEC. 2. (a) Within 15 days after the effective date of this act, or upon first engaging in business, and thereafter on or before the 1st day of July of each year, every importer, manufacturer, and dealer in firearms shall register with the collector of internal revenue for each district in which such business is to be carried on his name or style, principal place of business, and places of business in such district, and pay a special tax at the following rates: Importers or manufacturers, $1,000 a year; dealers, other than pawnbrokers, $200 a year; pawnbrokers, $300 a year. Where the tax is payable on the 1st day of July in any year it shall be computed for 1 year; where the tax is payable on any other day it shall be computed proportionately from the 1st day of the month in which the liability to the tax accrued to the 1st day of July following.

(b) It shall be unlawful for any person required to register under the provisions of this section to import, manufacture, or deal in firearms without having registered and paid the tax imposed by this section.

SEC. 3. (a) There shall be levied, collected, and paid upon firearms transferred in the continental United States a tax at the rate of $200 for each firearm, such tax to be paid by the transferor, and to be represented by appropriate stamps to be provided by the Commissioner, with the approval of the Secretary; and the stamps herein provided shall be affixed to the order for such firearm, hereinafter provided for. The tax imposed by this section shall be in addition to any import duty imposed on such firearm.

(b) All provisions of law (including those relating to special taxes, to the assessment, collection, remission, and refund of internal-revenue taxes, to the engraving, issuance, sale, accountability, cancelation, and distribution of tax-paid stamps provided for in the internal-revenue laws, and to penalties) applicable with respect to the taxes imposed by section 1 of the act of December 17, 1914, as amended (U.S.C., supp. VII, title 26, secs. 1040 and 1383), and all other provisions of the internal-revenue laws shall, insofar as not inconsistent with the provisions of this act, be applicable with respect to the taxes imposed by this act.

SEC. 4. (a) It shall be unlawful for any person to transfer a firearm except in pursuance of a written order from the person seeking to obtain such article, on an application form issued in blank in duplicate for that purpose by the Commissioner. Such order shall identify the applicant by such means of identification as may be prescribed by regulations under this act: *Provided*, That, if the applicant is an individual, such identification shall include fingerprints and a photograph thereof.

(b) The Commissioner, with the approval of the Secretary, shall cause suitable forms to be prepared for the purposes above mentioned, and shall cause the same to be distributed to collectors of internal revenue.

(c) Every person so transferring a firearm shall set forth in each copy of such order the manufacturer's number or other mark identifying such firearm, and shall forward a copy of such order to the Commissioner. The original thereof with stamps affixed, shall be returned to the applicant.

(d) No person shall transfer a firearm which has previously been transferred on or after the effective date of this act, unless such person, in addition to complying with subsection (c), transfers therewith the stamp-affixed order provided for in this section for each such prior transfer, in compliance with such regulations as may be prescribed under this act for proof of payment of all taxes on such firearms.

(e) If the transfer of a firearm is exempted from the provisions of this act as provided in section 13 hereof, the person transferring such firearm shall notify the Commissioner of the name and address of the applicant, the number or other mark identifying such firearm, and the date of its transfer, and shall file with the Commissioner such documents in proof thereof as the Commissioner may by regulations prescribe.

(f) Importers, manufacturers, and dealers who have registered and paid the tax as provided for in section 2 (a) of this act shall not be required to conform to the provisions of this section with respect to transactions in firearms with dealers or manufacturers if such dealers or manufacturers have registered and have paid such tax, but shall keep such records and make such reports regarding such transactions as may be prescribed by regulations under this act.

SEC. 5. (a) Within 60 days after the effective date of this act every person possessing a firearm shall register, with the collector of the district in which he resides, the number or other mark identifying such firearm, together with his name, address, place where such firearm is usually kept, and place of business or employment, and, if such person is other than a natural person, the name and home address of an executive officer thereof: *Provided*, That no person shall be required to register under this section with respect to any firearm acquired after the effective date of, and in conformity with the provisions of, this act.

(b) Whenever on trial for a violation of section 6 hereof the defendant is shown to have or to have had possession of such firearm at any time after such period of 60 days without having registered as required by this section, such possession shall create a presumption that such firearm came into the possession of the defendant subsequent to the effective date of this act, but this presumption shall not be conclusive.

SEC. 6. It shall be unlawful for any person to receive or possess any firearm which has at any time been transferred in violation of section 3 or 4 of this act.

SEC. 7. (a) Any firearm which has at any time been transferred in violation of the provisions of this act shall be subject to seizure and forfeiture, and (except as provided in subsection (b)) all the provisions of internal-revenue laws relating to searches, seizures, and forfeiture of unstamped articles are extended to and made to apply to the articles taxed under this act, and the persons to whom this act applies.

(b) In the case of the forfeiture of any firearm by reason of a violation of this act: No notice of public sale shall be required; no such firearm shall be sold at public sale; if such firearm is in the possession of any officer of the United States except the Secretary, such officer shall deliver the firearm to the Secretary; and the Secretary may order such firearm destroyed or may sell such firearm to any State, Territory, or possession (including the Philippine Islands), or political subdivisions thereof, or the District of Columbia, or retain it for the use of the Treasury Department or transfer it without charge to any executive department or independent establishment of the Government for use by it.

SEC. 8 (a) Each manufacturer and importer of a firearm shall identify it with a number or other identification mark approved by the Commissioner, such number or mark to be stamped or otherwise placed thereon in a manner approved by the Commissioner.

(b) It shall be unlawful for anyone to obliterate, remove, change, or alter such number or other identification mark. Whenever on trial for a violation of this subsection the defendant is shown to have or to have had possession of any firearm upon which such number or mark shall have been obliterated, removed, changed, or altered, such possession shall be deemed sufficient evidence to authorize conviction, unless the defendant explains such possession to the satisfaction of the jury.

SEC. 9. Importers, manufacturers, and dealers shall keep such books and records and render such returns in relation to the transactions in firearms specified in this act as the Commissioner, with the approval of the Secretary, may by regulations require.

SEC. 10. (a) No firearm shall be imported or brought into the United States or any Territory under its control or jurisdiction (including the Philippine Islands), except that, under regulations prescribed by the Secretary, any firearm may be so imported or brought in when (1) the purpose thereof is shown to be lawful and (2) such firearm is unique or of a type which cannot be obtained within the United States or such Territory.

(b) It shall be unlawful (1) fraudulently or knowingly to import or bring any firearm into the United States or any Territory under its control or jurisdiction (including the Philippine Islands), in violation of the provisions of this act; or (2) knowingly to assist in so doing; or (3) to receive, conceal, buy, sell, or in any manner facilitate the transportation, concealment, or sale of any such firearm after being imported or brought in, knowing the same to have been imported or brought in contrary to law. Whenever on trial for a violation of this section the defendant is shown to have or to have had possession of such firearm, such possession shall be deemed sufficient evidence to authorize conviction unless the defendant explains such possession to the satisfaction of the jury.

SEC. 11. It shall be unlawful for any person who is required to register as provided in section 5 hereof and who shall not have so registered, or any other person who has not in his possession a

stamp-affixed order as provided in section 4 hereof, to ship, carry, or deliver any firearm in interstate commerce.

SEC. 12. The Commissioner, with the approval of the Secretary, shall prescribe such rules and regulations as may be necessary for carrying the provisions of this act into effect.

SEC. 13. This act shall not apply to the transfer of firearms (1) to the United States Government, any State, Territory, or possession of the United States, or to any political subdivision thereof, or to the District of Columbia; (2) to any peace officer or any Federal officer designated by regulations of the Commissioner; (3) to the transfer of any firearm which is unserviceable and which is transferred as a curiosity or ornament.

SEC. 14. Any person who violates or fails to comply with any of the requirements of this act shall, upon conviction, be fined not more than $2,000 or be imprisoned for not more than 5 years, or both, in the discretion of the court.

SEC. 15. The taxes imposed by paragraph (a) of section 600 of the Revenue Act of 1926 (U.S.C., supp. VII, title 26, sec. 1120) and by section 610 of the Revenue Act of 1932 (47 Stat. 169, 264), shall not apply to any firearm on which the tax provided by section 3 of this act has been paid.

SEC. 16. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 17. This act shall take effect on the thirtieth day after the date of its enactment.

SEC. 18. This act may be cited as the "National Firearms Act."

The SPEAKER. Is a second demanded?

Mr. McFADDEN. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. McFADDEN. I am.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

The SPEAKER. The gentleman from North Carolina is recognized for 20 minutes and the gentleman from Pennsylvania [Mr. McFADDEN] is recognized for 20 minutes.

Mr. DOUGHTON. Mr. Speaker, this bill is sponsored by the Department of Justice and has a unanimous report from the Committee on Ways and Means.

For some time this country has been at the mercy of the gangsters, racketeers, and professional criminals. The rapidity with which they can go across State lines has become a real menace to the law-abiding people of this country. When the bill was first proposed by the Department of Justice it affected pistols and revolvers, but that provision was eliminated from the bill, and it now only relates to machine guns and sawed-off shotguns and rifles, or guns with barrels less than 18 inches in length, and to mufflers, and to silencers.

Mr. TREADWAY. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. TREADWAY. Is it not a fact that originally there was considerable opposition felt to this bill owing to the fact that pistols and revolvers were rated in exactly the same way as machine guns or mufflers?

Later on the Ways and Means Committee made the change whereby revolvers and pistols are distinctly exempted from the provisions of the act.

Mr. DOUGHTON. That is true.

Mr. TREADWAY. So that the type of opposition which came up in the first consideration of the bill was entirely removed and the opponents are in favor of the bill at the present time.

Mr. DOUGHTON. Those who opposed the bill as originally submitted to the Committee on Ways and Means by the Department of Justice, have withdrawn their opposition to the bill in its present form.

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

Mr. DOUGHTON. I yield.

Mr. SNELL. Mr. Speaker, will the gentleman instead of telling us what is excepted from the bill tell us what is covered by the bill?

Mr. DOUGHTON. Machine guns, sawed-off shotguns, rifles, silencers, and mufflers.

Mr. SNELL. Is the ordinary sporting rifle included in the bill?

Mr. DOUGHTON. It is not included at all.

Mr. SNELL. Just shotguns and machine guns?

Mr. DOUGHTON. Machine guns, sawed-off shotguns, rifles, silencers, and mufflers.

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

Mr. DOUGHTON. I yield.

Mr. MAPES. Objections have been raised on the part of prominent women and women's organizations in my district to the action of the Committee on Ways and Means in taking from under the provisions of the bill pistols and revolvers. Will the gentleman tell the House why this was done?

Mr. DOUGHTON. Protests came to the committee from some ladies' organizations throughout the country objecting to the elimination of pistols and revolvers. The majority of the committee were of the opinion, however, that the ordinary, law-abiding citizen who feels that a pistol or a revolver is essential in his home for the protection of himself and his family should not be classed with criminals, racketeers, and gangsters; should not be compelled to register his firearms and have his fingerprints taken and be placed in the same class with gangsters, racketeers, and those who are known as criminals.

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

Mr. DOUGHTON. I yield.

Mr. CHRISTIANSON. Have we the gentleman's assurance that sportsmen's organizations have withdrawn the opposition they formerly expressed to the measure?

Mr. DOUGHTON. They have; and they heartily support the pending bill. The Department of Justice has agreed to an amendment which makes the bill acceptable to sportsmen and sportsmen's organizations. As the bill now stands, so far as I know there is no objection to it.

Mr. TERRELL of Texas. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. TERRELL of Texas. Does this bill in any way affect the rights of States to tax dealers in firearms?

Mr. DOUGHTON. It puts a tax of $1,000 on the importer and manufacturer of machine guns; a tax of $200 on the dealer, and a tax of $300 on the pawnbroker; and it provides that 60 days after the enactment of the law all those having possession of firearms of the character referred to in this bill, must register the same with the Commissioner of Internal Revenue.

Mr. TERRELL of Texas. Does the bill affect the right of States to deal with this subject.

Mr. DOUGHTON. It does not in any way interfere with the rights of the States.

Mr. TREADWAY. I should like to call the chairman's attention to an evident misprint on page 4, line 5. I think he would like to offer an amendment changing the word "acts" to "tax", which is apparently what it should be.

Mr. DOUGHTON. I understand that mistake was corrected in the last print of the bill.

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

Mr. DOUGHTON. I yield.

Mr. MOTT. Is there anything in the bill which would affect collectors of firearms; is there any provision which would prevent a collector from possessing weapons of a certain type? I have in mind a man in my district who has several hundred guns in his collection.

Mr. DOUGHTON. I think not; I do not think it would affect them at all.

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

Mr. DOUGHTON. I yield.

Mr. CONNERY. As I understand, the primary purpose of the bill is to stop gangsters from getting hold of machine guns.

Mr. DOUGHTON. That is correct.

The SPEAKER. The question is on the motion of the gentleman from North Carolina to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed, and a motion to reconsider was laid on the table.

THE COTTON INDUSTRY

Mr. BUCK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J.Res. 369) to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934.

Resolved, etc., That the act entitled "An act to place the cotton industry on a sound financial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934, is hereby amended by adding at the end thereof the following new section:

"SEC. 25. (a) No tax-exemption certificates shall be issued to any person not engaged in production of cotton in the crop year during which such certificates are issued.

"(b) Whenever after apportionment under sections 7 and 8 any surplus number of bales remain of the amount allotted to any county under section 5 (b) such surplus bales shall be allotted, in such quantities as the Secretary of Agriculture determines, to such other counties within the State as the Secretary of Agriculture determines have an insufficient allotment. Said bales shall be apportioned, pursuant to sections 7 and 8, within the respective counties to which allotted, but in no case shall any farm receive any of such allotment so as to receive a total allotment in excess of its estimated production for the crop year in which such allotment is made.

"(c) In computing the production of any State pursuant to section 5 (a) the total production of cotton for such State in the five-year period, 1928-32, inclusive, shall be used regardless of the length of staple of such production."

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

Mr. TARVER. Mr. Speaker, reserving the right to object, will the gentleman explain the reason for calling up this resolution in the manner in which it is being presented to the House, and also something about what the resolution provides? It seems to be a rather lengthy measure, and I should like to know something about it before I accede to the request.

Mr. JONES. May I say to the gentleman that the resolution only clarifies and makes clear what was intended in the original bill. It does two things. It provides that in California, where they have a specified allotment of 200,000 bales, they may shift the allotment from one county to another. This does not affect their general allotment nor the allotment of the other States.

In Arizona they have grown for a long while a considerable amount of long-staple cotton and gradually transferred into the other. This permits them to use their total cotton production in arriving at their total. This means only a difference of some 15,000 bales.

Mr. TARVER. Does the gentleman mean it would add that much to Arizona's allotment?

Mr. JONES. No; it would rather restore that much to Arizona's allotment, making it what it was intended to be. In view of the fact that a 5-year average is taken, Arizona's allotment will be materially reduced. I feel that she should have her average of the 5-year production, and that if she comes within the terms of the exception by the use of her entire production, this should be accorded her in view of the change in the character of cotton produced.

Mr. TARVER. I am of the opinion that Arizona and California were given preferential consideration by the adoption of certain amendments in the Senate over other cotton-producing States, and in view of what the gentleman states this resolution contains, I desire the opportunity to study it before I consent to its being passed by unanimous consent.

Mr. BUCK. May I say to the gentleman it is quite true that the Bankhead bill gave California, Missouri, and Arizona preferential treatment, but the Department of Agriculture, and they are supported in this by the Department of Justice, ruled that because we did not amend the subsequent sections providing for county allotments, in spite of the fact California was given a 200,000-bale allotment, owing to the migratory character of cotton planting in California, the allotment would be based on the last 5 years' average, which would be about 139,000 bales.

Mr. TARVER. Why is California entitled to any more?

Mr. BUCK. The Department has asked for this.

Mr. TARVER. Why are you entitled to any more? The other States have to get by with their allotments.

Mr. BUCK. May I say that in one county in California the 5-year history shows an average of 7,500 bales. The actual production at the present time is only 1,500 bales. Cotton planting has moved from certain areas to other areas. There will be no increase under this bill to the cotton allotment of California or Missouri and it will not interfere with the production of cotton in the gentleman's State or any other State.

The resolution has the unanimous report of the members of the committee and we are desirous of getting it through the Senate before we adjourn.

Mr. TARVER. This matter can be brought up tomorrow just as well. I do not feel willing to consent to the passage of the bill by unanimous consent when it is apparent that it is one of extreme importance to the cotton-producing areas of this country. I have not had the opportunity to read it, and I do not know what it contains. Therefore, I must object.

USE OF MAILS FOR SHIPMENT OF CERTAIN DRUGS

Mr. MEAD. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report on the bill (S. 822) to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers.

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

There was no objection.

ADDRESS BY POSTMASTER GENERAL FARLEY AT CANISIUS COLLEGE, BUFFALO, N.Y.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by the Postmaster General at Buffalo, N.Y.

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

There was no objection.

Mr. MEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. James A. Farley, Postmaster General of the United States, before the graduating class of Canisius College, Buffalo, N.Y., June 10, 1934:

It is with a deep sense of appreciation of the great honor bestowed that I come here today to take part in the ceremonies that mark the enrollment of these young men into the ranks of the alumni of this great institution. I am glad to have the distinction of being numbered among the members of this class. I am conscious of the fact that I am receiving my degree as a token, while the graduates are receiving a deserved recognition of the diligence with which they have devoted themselves to tasks intended to bring them, at this commencement of their careers, into habits of discipline, both mental and physical, that augur well for their future success.

The president and the faculty of Canisius College, together with parents and friends, can be justly proud today of your accomplishments. They have sacrificed to the end that you should receive all of the benefits accruing from a liberal education. They are happy to bestow upon you their praise and their congratulations. You now leave your alma mater inspired by the traditions which have grown up around its past, carrying with you its benedictions mixed with the confident hopes of your well-wishers.

It is well to remember as you go forth that you carry with you a responsibility. You have a duty to perform. Perform that duty well and your accomplishments will enhance the traditions of Canisius. Thus only can you repay those who have concurred to make this event for you possible.

And what a glorious opportunity opens before the young people of today, to be of service to themselves, their fellowmen, and their country. Unless all signs fail you are initiating your life's work simultaneously with the beginnings of a new era of history. For a score of years the whole world has been passing through upheavals generated by the clash of ideals of service against the time-worn ideas of selfishness. This has been precipitated by the widespread increase of knowledge flowing from the easy avail-

ability of education. Its solution is possible only to those who, having the benefits of education, are willing to dedicate their talents toward working out an equitable plan which will provide a civilization, unbending enough to maintain an orderly program of living and elastic enough to meet the conditions imposed by circumstances beyond the control of humans.

A quarter of a century ago I was about the age of you who are today being graduated. Looking back it seems but a short time but, if the historians delineate all that has occurred in those 25 years, with the same attention to detail as was followed by the historians of a century ago in the writing of their era, many volumes will be filled to every volume of early Americana. The greatest war in history; the greatest advances of science; the greatest conquests of space, both in the terms of communication and travel; the greatest period of industrial activity; the greatest upheaval in governments; the greatest spread of information; and the greatest extension of discoveries in every line of research, have all occurred only to have these tremendous events crowned by the greatest period of economic distress the world has experienced.

Looking back, it seems impossible that so much could have happened in so short a space of time. Looking ahead, can anyone prophesy what events will occur during an equal span of the future? That is the vista that opens before you and, if you consider the possibilities ahead, you should be thrilled with the prospect of entering into the work to be done—fortified by the training you have received from these devoted Jesuits who now look forward to your attaining success as their only reward for their service in preparing you for your duties.

I have heard something of the progress of Canisius on the gridiron. Consequently, I know that you will get the point of the homely comparison I am going to make in order to more clearly reveal the thoughts that have been running in my mind.

My position in the Cabinet of the great man who is today President of these United States has given me the opportunity of being in the center of the great events that are occurring. My 25 years spent in business and political life enable me to picture vividly things as they have been. Anyone of experience knows that changed conditions have brought about new problems which must be met with new methods if civilization is to survive. The leadership in solving these problems during the next quarter of a century will come from those who, seeing the changing conditions, attack these problems with originality, open minds, and a venversally played.

Twenty-five years ago the football supremacy of the country was seated in a few large universities in the East. For years the great gridiron teams each season represented one of a half-dozen schools. Then conditions changed and public opinion, abetted by the influence of the Roosevelt who was then President of the United States, compelled a change in the rules that opened up the game and produced new fields to be explored by the gridiron strategists. The great universities of the East stuck to the old game, but coaches of the smaller universities and the western schools studied the new rules and took advantage of the latitude of plays afforded by the introduction of open tactics. One fall, out of the West there came an eleven that broke into the invincible circle of great eastern teams, simply because they not only knew the new rules but utilized all the latitude afforded by them. Coaches everywhere then seriously took up the open game. As a result the popularity of football increased by leaps and bounds until today great teams are everywhere throughout the land because the new rules are universally studied and universally played.

So it is with the changes of the present. Many who are my age will refuse to recognize the changed aspects of today's conditions. Those who do will succeed as well under the new practices as they did under the old. You who are not handicapped by the customs and ideas and usages of yesterday have an advantage over those who will stubbornly resist these changes of progress. In this respect, your inexperience will be more valuable than their experience. I am not in accord with those who may sympathize with you because you are initiating your careers in these days when trouble still besets many not yet been returned to gainful occupations. Pessimists may regard the influx of new graduates as an additional load to impede recovery. I, however, am of the optimistic view that your freedom from prejudices, combined with your technical training and supported by the self-reliance of youth, will serve to benefit not only yourselves but will hasten the employment of many of your elders because of the new works which you will initiate.

Prosperity, contentment, and happiness are the fruits of national economic activity. The flow of commerce depends upon the demands of the multitudes for those things which make for better living. The satisfaction of the desire for improved conditions of living provide the very means by which the desires can be satisfied. In short, every period of prosperity has been brought about by the discovery of some new means of satisfying human wants. The very providing of those means has made work for the multitudes which provided the income by which all were able to enjoy the fruits of each succeeding contribution to a higher standard of living.

Our colonial fathers fought and died to provide the liberties which they enjoyed in the wooded expanse of a new country, little dreaming of the vast empire they had a hand in creating. Under conditions that would have been to us abhorrent, they found work to do, and because of their courage, their energy, and their adventurous spirit we today are enjoying what to them would have been luxuries beyond their brightest dreams. In finding and fighting the way out they handed down to us an example of fortitude and strength of character that we might well emulate.

Their descendants carried on and these United States grew and prospered. Through the years we assimilated millions who came to our shores to escape the fetters of older worlds. In America they found a place to forge ahead unhampered by the worn-out ideas of an archaic past. In the melting pot the blood of many races produced the kind of America that today is fighting its way upward to new accomplishments and new achievements. The depression has served to rekindle the spirit of America that permeates the ranks of those who welcome you today as a part of the movement forward. You bring with you the fresh viewpoint that so amply fits the needs of the hour. You have the attribute of youth and vigor and mental discipline that should serve well toward promoting our progress.

There are some who will say there is no way out. They deserve only your contempt. Remember that a little thing produced every period of prosperity and you can face the future with confidence. The invention of the steam engine has been responsible for the employment of millions down through the years. Franklin's kite in the thunderclouds presaged the employment of millions in the electrical industries. Morse ticked a message with a key and wired transmission of communications has ever since kept vast numbers at work. Edison created the incandescant lamp and unleashed employment for multitudes. McCormick with a reaper developed tasks for hordes while lightening the task of that half of our population engaged in agriculture. The disputed invention of the automobile provided gainful employment not only for its manufacture but for the building of the vast networks of roads necessitated by its universal use. The moving picture, the radio, and the talkies provide sustenance for industrious armies while at the same time providing amusement for all. These and other developments have made possible the increase of income that paralleled the longer hours of leisure which made their enjoyment possible.

Who can say what will be the great developments of the next 25 years? It may already be in existence awaiting only the demand that will flow from a purchasing power begotten of confidence. It may yet have to be brought forth by one out of the ranks of those who this month are being graduated from the colleges throughout the land. It may be a new invention that will make life more enjoyable, or it may be a new mode of living that will be promoted by greater leisure to enjoy the advantages of inventions already known. Whatever it may be, you can be confident that you who are young will find a better ordered civilization which will better insure the permanency of the prosperity attendant upon the harvest it provides. You are to be envied and congratulated. Yours is the opportunity of sharing in what will be an epochal development of history. Face your tasks with confidence in your country and faith in yourself and pursue them diligently, and your success will be rivaled only by the satisfaction that you will have in doing your part to preserve for the future the rich heritage of progress which the past is giving into your keeping.

There is just one final admonition that I would make. Your education has been accompanied by a religious training which should cause you to ever remember your dependence on your Maker. No finer example of the value of the spiritual side of our orderly emergence from distress can be presented than our President, whose inspiring words and firm actions have been responsible for the progress we are making. Read any of his messages and you will find contained therein spiritual thoughts that are inspiring. Consider deliberately all of his policies and you will find that they reveal a love for humanity so like the teachings of the Founder of Christianity that they are simply bringing forth anew principles tried by over 1,900 years of successful usage.

Peruse history from the ancients to the present and you will find every period of distress preceded by a period of decadent morality. People with plenty have always seemed to forget their dependence on the Great Provider. Wide-spread poverty awakens not only their interdependence but also the absolute futility of their position without spiritual guidance. Always the orderly way back to normal conditions has been shown by a leader who, seemingly by an act of Providence, appeared at the right time. Such a man was Washington. So, too, was Lincoln. In our own day we know of the aspirations of Wilson. Now we have the great humanitarian. Who will gainsay that his frank messages of confidence carried inspiration into every home by the miracle of the radio that prevented bloodshed punctuating the revival of our national economic balance? What he has done and is doing constitutes a living example which vividly portrays all the ideals I would leave with you. Nurture those ideals and guide your future by their light and your success is assured.

PROTECTION OF TRADE AND COMMERCE AGAINST VIOLENCE

Mr. OLIVER of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2248) to protect trade and commerce against interference by violence, threats, coercion, or intimidation, and put it upon its passage, with certain amendments recommended by the Judiciary Committee.

This is merely the creation of an extortion statute against those who extort money by force or violence from those engaged in interstate commerce. It is a part of the crime

program that had to be delayed because of various discussions or we would have had it up the last time. We now bring this bill up for immediate consideration.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the term "trade and commerce", as used herein, shall include trade or commerce between any States, with foreign nations, in the District of Columbia, in any Territory of the United States, between any such Territory or the District of Columbia and any State or other Territory, and all other trade or commerce over which the United States has constitutional jurisdiction.

SEC. 2. Any person who, in connection with or in relation to any act in any way or to any degree affecting, burdening, hindering, destroying, stifling, or diverting trade or commerce or any article or commodity moving or about to move in trade or commerce—

(1) Commits or threatens to commit any act of violence, intimidation, or injury to a person or property, or commits any act which is declared to be unlawful by the criminal laws of the State, District, or Territory where the act is committed; or

(2) Extorts or attempts to extort money or other valuable considerations; or

(3) Coerces or attempts to coerce any person, firm, association, or corporation to join or not to join an association, firm, corporation, or group, or to buy or rent commodities or services from particular sources, persons, firms, or corporations, or to make payments directly or indirectly to any person, association, firm, corporation, or group except for a bona fide consideration; or

(4) Coerces or attempts to coerce any person, firm, association, or corporation to do an act which such person, firm, association, or corporation has a legal right not to do, or to abstain from doing an act which such person, firm, association, or corporation has a legal right to do—

shall, upon conviction thereof, be guilty of a felony and shall be punished by imprisonment from 1 to 99 years, and, in addition, by a fine which shall be at least commensurate with the amount of the unlawful gain.

SEC. 3. Any person charged with violating this act may be punished in any district in which any part of the offense has been committed by him or his associates or his conspirators.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the term 'trade or commerce', as used herein, is defined to mean trade or commerce between any States, with foreign nations, in the District of Columbia, in any Territory of the United States, between any such Territory or the District of Columbia and any State or other Territory, and all other trade or commerce over which the United States has constitutional jurisdiction.

"SEC. 2. Any person who, in connection with or in relation to any act in any way or in any degree affecting trade or commerce or any article or commodity moving or about to move in trade or commerce—

"(a) Commits or threatens or attempts to commit an act of physical violence or physical injury to a person or to the property of another, in furtherance of a plan, purpose, or attempt to fix or increase prices, or restrict or allocate production, purchases, or sales, or suppress competition; or

"(b) Obtains or attempts to obtain, by the use of or attempt to use or threat to use force, violence, or coercion, the payment of money or other valuable considerations, or the purchase or rental of property or protective services, not including, however, the payment of wages by a bona fide employer to a bona fide employee; or

"(c) Obtains the property of another, with his consent, induced by wrongful use of force or fear, or under color of official right; or

"(d) Commits or threatens to commit an act of physical violence or physical injury to a person or property in furtherance of a plan or purpose to violate sections (b) or (c) herein; or

"(e) Conspires or acts concertedly with any other person or persons to commit any of the foregoing acts; shall, upon conviction thereof, be guilty of a felony and shall be punished by imprisonment of from 1 to 99 years, and in addition, by a fine which shall be at least commensurate with the amount of the unlawful gain.

"SEC. 3. (a) As used in this act the term 'wrongful' means in violation of the criminal laws of the United States or of any State or Territory.

"(b) The terms 'property', 'money' or 'valuable considerations' used herein shall not be deemed to include wages paid by a bona-fide employer to a bona-fide employee.

"SEC. 4. Prosecutions under this act shall be commenced only upon the express direction of the Attorney General of the United States.

"SEC. 5. If any provisions of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 6. Any person charged with violating this act may be prosecuted in any district in which any part of the offense has been committed by him or by his actual associates participating with him in the offense or by his fellow conspirators: *Provided*, That no court of the United States shall construe or apply any of the provisions of this act in such manner as to impair, diminish, or in any manner affect the rights of bona-fide labor organizations in lawfully carrying out the legitimate objects thereof, as such rights are expressed in existing statutes of the United States."

Mr. OLIVER of New York. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment, offered by Mr. OLIVER of New York: On page 3, line 22, strike out the paragraph beginning "(a)" down to and including the word "or" on page 4, line 2.

On page 4, line 20, strike out all after the words "from one to" down to and including the word "gain" on page 4, line 22, and substitute in lieu the following: "10 years or by a fine of $10,000 or both."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

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

CHIPPEWA INDIANS OF MINNESOTA

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1735) to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims."

I may say, Mr. Speaker, I have two bills here of minor importance except to the Chippewa Indians in northern Minnesota. Both of the bills have passed the Senate and companion bills in both instances, identical to the Senate bill, have been considered by the Committee on Indian Affairs and unanimously recommended. The bills have the endorsement of the Bureau of Indian Affairs and the Department of the Interior.

Mr. JENKINS of Ohio. Have these bills been on the Consent Calendar and objected to?

Mr. CHRISTIANSON. No; they have not.

Mr. JENKINS of Ohio. Have they ever been on the Consent Calendar?

Mr. CHRISTIANSON. They have never been on the Consent Calendar.

The SPEAKER. The Clerk will report the Senate bill S. 1735. The Clerk read as follows:

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

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

The 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.

AMENDMENT OF ACT APPROVED JUNE 28, 1932 (47 STAT.L. 337)

Mr. CHRISTIANSON. Mr. Speaker, I make the same request with respect to the other bill I have referred to (S. 3147) to amend the act approved June 28, 1932 (47 Stat.L. 337), and the same statement applies to this bill.

The Clerk read the bill, as follows:

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

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 VALUE OF THE CIVILIAN CONSERVATION CORPS

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

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, for more than a year the Emergency Conservation Work organization, initiated by President Roosevelt during his first month in office, has been operating Civilian Conservation Corps forest camps successfully in all sections of the United States. Launched as an essential cog in the administration's general industrial recovery, relief, and employment program, this movement has evoked wide-spread commendation from the press and the public. Within the 12 months that it has been actively in operation this reforestation program has given jobs at one time or another to more than 650,000 persons, and afforded a measure of relief at all times to an average of 300,000 families. By giving healthful, outdoor work to undernourished and discouraged youths it has aided in the physical and spiritual rejuvenation of hundreds of thousands of our young men, many of whom were taken from the streets of our cities and villages and were provided with jobs, good wholesome food, and a chance to aid in the support of their families.

This movement has aided business recovery by supplying large orders for manufactured goods and foodstuffs to industries and wholesale houses. And in addition to these contributions to the national welfare, the men sent to the camps have accomplished an amazing amount of worthwhile work in the Nation's forests and parks—work which will aid in the conservation of our forest resources and pay big dividends to present and future generations in timber, recreational advantages, and reduced losses through soil erosion.

Now that the record of accomplishment for the first year of the forest camps is available, I want to call the attention of this Congress to a few of the salient facts in the history of this reforestation movement. It will be recalled that on March 20, 1933, the President first called upon Congress for aid in getting the forest-camp movement under way. At that time he sent a message in which he sought authority for the establishment of a great Nation-wide chain of forest camps, where a vast army of unemployed young men could be given healthful outdoor work on projects looking toward the conservation of the Nation's more than half a billion acres of forested lands.

I propose—

The President said—

to create a Civilian Conservation Corps to be used in simple work, not interfering with normal employment and confining itself to forestry, the prevention of soil erosion, flood control, and similar projects. I call your attention to the fact that this type of work is of definite, practical value, not only through the prevention of great present financial loss but also as a means of creating future national wealth.

More important, however, than the material gains will be the moral and spiritual value of the work. The overwhelming majority of unemployed Americans now walking the streets and receiving public or private relief would infinitely prefer to work. We can take a vast army of these unemployed out of unhealthful surroundings. We can eliminate to some extent at least the threat that enforced idleness brings to spiritual and moral stability.

The authority asked by the President was granted on March 31, 1933, with the passage of a bill entitled "An act for the relief of unemployment through the performance of useful public works, and for other purposes."

Five days after the bill was passed the President set up the organization of Emergency Conservation Work to carry out the provisions of the law. Robert Fechner, of Boston, was named Director, and the Secretaries of War, Interior, Agriculture, and Labor were directed by the President to cooperate with the Director in the establishment and operation of the camps.

Decision was reached at once to establish a forest camp organization of 250,000 men to be known as the Civilian Conservation Corps. Attendance at the forest camps was limited primarily to young unmarried men between the ages of 18 and 25 years and whose families were on the relief rolls of State, city, or local communities. It was decided also to establish a large number of small camps rather than concentrate the young forest workers at a few central points. The task of selecting the young men was turned over to the Labor Department, and this organization at once designated State agencies in each State to aid in this selection. Later, when it was decided to give the veterans a place in the E.C.W. program, the work of selecting this group was turned over to the Veterans' Administration. The War Department was made responsible for the enrollment, feeding, clothing, and general welfare of the men. Under the direction of the Secretary of War, this Department established the work camps, transported the new enrollees to these camps, and accepted the responsibility for their care from the time they entered the C.C.C. until they were discharged. The responsibility for planning and carrying out the forest- and park-work programs was placed squarely in the hands of the Departments of the Interior and Agriculture. The Forest Service of the Department of Agriculture and the National Park Service of the Interior Department have planned and supervised all work done in the camps with the exception of the Winooski Valley flood-control project, where 5,000 veterans have been working under the direction of the Army Corps of Engineers, and a few small projects. At the present time the Department of Agriculture has supervision over the work being done at 1,047 camps. The Department of the Interior supervises the work operations at 395 camps.

Within 2 weeks after the Emergency Conservation Work organization was set up on April 5, the first C.C.C. camp was established in the George Washington National Forest near Luray, Va. By July 1 the Labor Department had selected, and the War Department had enrolled, 250,000 young men and started them on the way to the forests. In addition, the Veterans' Administration had completed the selection of 25,000 veterans. Before the middle of July a total of 1,468 camps occupied by young men, war veterans, and locally enrolled woodsmen were in operation in the forests and parks. On that date there were 300,000 men enrolled and in the camps. Each camp was occupied by 200 enrolled men. Since that time the E.C.W. organization has maintained an average of 1,468 camps, each State having not less than two camps. The average enrolled strength maintained during the past year has exceeded 285,000 men.

In order to afford work for Indians needing relief, the President approved a plan allowing 14,400 Indians to be enrolled for work on Indian reservations. These camps have been conducted by the Office of Indian Affairs independently of the C.C.C. In addition, smaller independent units of camps have been established in Puerto Rico, Hawaii, and Alaska. Puerto Rico now has 1,250 men in forest camps; Hawaii, 777; and Alaska, 325.

The major accomplishments of the Emergency Conservation Work program, as they have been outlined in reports submitted by officials of the organization to the President, can be grouped under five major headings. These include benefits in the field of unemployment, in the field of relief, in the business field, in the rehabilitation of young men, and in the conservation of our forested lands.

In the field of unemployment, jobs have been given to approximately 600,000 enrolled men, the big majority of them young men between the ages of 18 and 25. About

8,000 reserve officers of the War Department have been employed at one time or another in the camps. Work has been given to an average of 14,000 foresters and technicians, indicating that at least 18,000 men in this category have been employed for varying periods of time. In addition, employment has been given for short periods of time to at least 40,000 skilled and unskilled workmen. No definite figures are available as to the exact number of men who have been furnished work indirectly through orders given to industry for supplies, but it is believed an accurate tabulation would show many thousands were given work in this manner.

In the field of relief, funds have been supplied indirectly to an average of 300,000 families since the work was actively under way. The men are paid $30 a month on condition that they allot a large portion of their cash allowances to their families. These allowances are sent direct to the families by the War Department. On the average, the War Department mails out 300,000 checks each month, the total cash involved amounting to between $6,500,000 and $7,000,000. This monthly relief aid is in addition to the pay checks which are sent direct to the Indians, to many of the veterans, and all the experienced woodsmen who are enrolled locally when camps are established. All told, more than $80,000,000 has been paid out direct to families of enrolled men since the E.C.W. work began and up to April 30.

Tests conducted by the Office of the Surgeon General of the War Department, as well as examinations made at the camps, have disclosed that phenomenal health gains have been registered by the undernourished and often discouraged boys sent to the camps. One test of 10,000 men selected at random by the Surgeon General's Office showed the men had gained an average of 7.28 pounds per man during the first 6 months. Many gains of from 15 to 20 pounds have been recorded. Officers at the camps, as well as State officials who have visited the camps, have reported to Director Fechner that the good food, outdoor work, and freedom from worry have substantially increased the morale of all the men who have entered the camps.

Purchases made for the Emergency Conservation Work forest camps have aided hundreds of industries. The figures show that up to April 30 of the current year more than a hundred million dollars had been expended for supplies needed to keep the corps in operation. The purchases include such items as trucks, clothing, foodstuffs, heavy machinery, building materials, stoves, and equipment for the barracks and fire extinguishers. The food bill for this period was $35,000,000. During the same period $24,000,000 was expended for shelter and $40,000,000 for clothing. Railroads were aided through increased passenger and freight business. Farmers and retail stores in the vicinity of the camps also were afforded a better market for their produce.

The intimate relations of the forest resources to the Nation's economic and social well-being is brought home to the public by the record of useful work achieved by the men of the corps during their first year in the woods. Achievements for the first 12 months can now be appraised in cold figures of miles, acres, and man-days of work performed. The record shows that for the first time in the Nation's history massed man-power has been made available for forest protection on a scale which should result in reducing substantially the huge losses normally caused each year by forest fires, disease, tree-attacking insects, and rodents.

The great bulk of the field activities of the Corps has been directed toward protecting the forests from fire, insects, and disease; the improvement of timbered areas through thinning out undesirable trees and undergrowth; the prevention of soil erosion; tree planting and the improvement of National and State park areas for recreational use. Among the achievements which stand out in the completed program is the work done in the field of forest protection. This included the construction of trails through the forests and parks over which fire-fighting units could be operated speedily in event of fire; the construction of fire breaks to check the spread of forest fires; the cleaning out of fire hazards, such as inflammable dead trees and underbrush, the cleaning up of road and trail sides; the construction of lookout towers; fire-guard cabins, shelter for fire-protection equipment; the laying of telephone wires to connect lookout houses with fire-fighting units; and the carrying on of campaigns against such menaces to healthy forest growth as the white-pine blister rust, a fungus disease now menacing millions of acres of white pine; and the hordes of insects and pests which attack trees.

Hundreds of millions of acres of timberlands have been improved by thinning out undesirable trees from valuable timber stands. The grazing lands on nationally owned lands have been improved by the eradication of plants poisonous to livestock; by the killing of rodents; by the revegetation of depleted lands, and the construction of fences and the development of better, or new, sources of water supply. Erosion control, watershed protection, and flood-prevention work have been major activities of the corps.

Major items of work accomplished during the first year are shown in the following table:

Classification, units, and total amount of Emergency Conservation work, completed Apr. 5, 1933, to Mar. 31, 1934; all services in continental United States, Alaska, Hawaii, and Puerto Rico

NEW CONSTRUCTION

Classification no.	Type of job	Unit	New Work
1	Telephone lines	Miles	15,241
2	Firebreaks	do	18,531
3	Reduction of fire hazards	Acres	542,659
4	Roadside clearing, fire prevention	Miles	12,053
5	Trailside clearing, fire prevention	do	3,564
6	Lookout houses	Number	274
7	Lookout towers	do	355
8	Fighting forest fires	Man-days	686,709
9	Fire presuppression	do	226,023
10	Fire prevention	do	32,802
11	General clean-up other than fire prevention	Acres	25,150
12	Forest-stand improvement	do	953,318
13	Roads:		
	(a) Truck trails	Miles	25,413
	(b) Minor	do	813
	(c) Highway	do	262
14	Trails:		
	(a) Horse	do	3,259
	(b) Foot	do	2,474
15	Driveways for livestock	do	342
16	Dwellings at permanent stations	Number	481
17	Dwellings at temporary stations	do	491
18	Tool houses and boxes	do	4,614
19	Barns at permanent stations	do	220
20	Barns at temporary stations	do	150
21	Offices	do	464
22	Public camp-ground clearing	Acres	16,006
23	Public camp-ground buildings	Number	972
24	Public camp-ground latrines	do	2,983
25	Public camp-ground water systems:		
	(a)	Feet	208,865
	(b)	Number	720
26	Public camp-ground waste disposal:		
	(a)	Feet	56,096
	(b)	Number	1,889
27	Other public camp-ground facilities	do	15,464
28	Other structures	do	4,378
29	Fences, other than ranges	Miles	862
30	Fences, range:		
	(a) Wire	do	2,761
	(b) Log	do	70
	(c) Stake and rider	do	56
31	Water systems:		
	(a) Storage facilities	1,000 gallons	91,705
	(b) Pipe lines	Feet	618,757
	(c) Wells and water holes	Number	1,340
32	Spring or well development for livestock	do	1,168
33	Reservoirs, water for livestock	do	932
34	Planting	Acres	98,592
35	Nursery	Man-days	138,998
36	Experimental plots	Number	1,173
37	Range revegetation	Acres	6,939
38	Seed collection:		
	(a) Conifers (cones)	Bushels	16,996
	(b) Hardwoods and other	Pounds	259,591
39	Insect-pest control:		
	(a) Tree	Acres	1,666,637
	(b) Other	do	203,479
40	Rodent control	do	4,405,785
41	Elimination of useless range stock	Number	44,068
42	Tree and plant disease control	Acres	2,757,419
43	Eradication, poisonous and other plants	do	67,935
	(a) Lineal	Miles	28,194
	(b) Topographic	Acres	2,039,396
44	Survey:		
	(c) Timber estimating, forest type range special use, etc.	do	5,003,558
	(d) Model or relief maps	Square feet	582
45	Ground-water surveys	Acres	891,209

Classification, units, and total amount of Emergency Conservation work, completed Apr. 5, 1933, to Mar. 31, 1934; all services in continental United States, Alaska, Hawaii, and Puerto Rico—Con.

NEW CONSTRUCTION—Continued

Classification no.	Type of job	Unit	New Work
46	Erosion control (includes sloping and planting):		
	(a) Dams	Number	420,633
	(b) Land benefited	Acres	764,624
	(c) Bank protection	Square feet	110,020,183
	(d) Ditches, drainage, diversion, etc	Linear yards	53,614
47	Bridges:		
	(a) Foot	Number	2,528
	(b) Horse	do	381
	(c) Vehicle	do	11,620
	(d) Stock	do	543
48	Water improvement:		
	(a) Lake, pond, or beach	Acres	26,788
	(b) Stream	Miles	695
	(c) Restocking fish	Number	1,220,989
49	Ponds for fish and birds	do	1,170
50	Dams, recreational	do	864
51	Corrals	do	200
52	Flood control:		
	Surveys:		
	(a) Lines and grades	Linear feet	11,512,251
	(b) Topographic	Square feet	48,838,059
	(c) Dam site	do	3,633,131
	Clearing:		
	(d) River bank	Square feet	18,538,873
	(e) Channel	Linear yards	196,812
	(f) Earth fill	Cubic yards	1,078,388
	(g) Stripping of site	do	98,164
	(h) Earth excavation	do	355,911
	Dams:		
	(i) Rock excavation	do	56,062
	(j) Concrete	do	29,542
	(k) Rock fill	do	128,765
	(l) Steel	Pounds	1,050,261
	Channel enlargements:		
	(m) Earth excavation	Cubic yards	312,623
	(n) Rock excavation	do	85,678
	Reconstruction of existing dams:		
	(o) Rock excavation	do	36,164
	(p) Earth excavation	do	14,150
	(q) Concrete removal	do	157
	(r) New concrete	do	1,775
	(s) Steel	Pounds	69,115
	(t) Levees	Cubic yards	345,181
	(u) Cribbing, including riprap filling	Linear feet	211,300
53	Landscaping	Acres	16,697
54	Landing fields, airplane	do	1,887
55	Fighting coal fires	Man-shifts	12,210
56	Guard rails	Miles	51
57	Searching for missing persons	Man-days	4,917
58	Mosquito control:		
	(a) Ditching	Linear yards	275,087
	(b) Staking	do	207,622

Extracts from official letters written to the President by Director Fechner; George H. Dern, Secretary of War; Henry A. Wallace, Secretary of Agriculture; Harold L. Ickes, Secretary of the Interior; and Frances Perkins, Secretary of Labor, on the occasion of the completion of the first year of the C.C.C., point clearly to the advantages that have accrued from this reforestation program.

In my opinion—

Director Fechner said in his communication—

operation of the forest camps has clearly enhanced the value of our forests and parks, relieved an appreciable amount of distress and spurred business recovery by furnishing an active market for the sale of food, clothing, manufactured goods, automotive equipment, and other supplies needed to keep the conservation program in operation. The hundreds of thousands of young men and war veterans who left city and village streets to enter the healthful environment of the forest camps, entered their work on a purely voluntary basis. No military training was involved. All of these men have been improved physically. Almost every man has increased in weight. Most of them have developed new self-respect, greater self-reliance. There is evidence that their morale, as well as the morale of their dependents, has been lifted. Thousands of young men have been taught how to work. The camp movement has shown that young men would rather work than go on relief.

Discussing the value of the C.C.C. to the forested sections of the country, Secretary Wallace said:

The presence of the Civilian Conservation Corps, representing an immediately available supply of man power, was a large contributing factor in reducing fire-fighting expenditures, acreage burned, and damage to national-forest lands. The fire record for 1933 is one of the best ever recorded in the history of the national forests. Damage was held to approximately $325,000, which is less than 17 percent of the average annual loss during the previous 5-year period. Also, through the construction of numerous lookout houses and towers, telephone lines, roads and trails, the detection, communication, and transportation systems, essential to fire control, were perfected on a scale far in excess of that reached ordinarily within a decade.

In his letter Secretary Ickes stressed the value of the work done in the National and State parks. He said, in part:

The field officers of this Department report that the presence of the enrollees has enabled the planned recreational program for our areas to be carried forward in an effective manner, and results have been accomplished that would have taken more than 10 years to achieve in normal circumstances.

The assignment of Emergency Conservation Work camps to the National Park Service, General Land Office, Office of Indian Affairs, and to the Territory of Hawaii offered an opportunity for the Department of the Interior to participate in the constructive accomplishments of this unique conservation venture of the current administration.

The specific projects which have been completed will aid field officers of this Department in an effective manner to conserve and preserve natural features in our distinctive national parks and monuments and in the public domain and Indian reservations. Protection against fire and insect infestation, blister rust and tree disease, and roadside fixation and erosion control have been major accomplishments. The availability and utilization of Emergency Conservation Work enrollees for fire fighting to a large degree accounts for a 37-percent reduction in fire losses in 1933 as compared to the previous year in our national parks. Further detailed description of the several classes of projects would include activities that tend to protect, develop, and perpetuate existing natural areas, preserve forest cover, prevent soil erosion, reduce fire hazards, and establish the means for our citizenship to reach and utilize the scenic and primitive areas without despoiling them. The work has been national in character and the results have thoroughly justified the public trust.

The effective manner in which the Office of Indian Affairs has extended the Emergency Conservation Work program to our Indian reservations has been of a very spectacular nature. The program has been carried out in a unique manner with Indians, to a large degree, used to supervise the work on the various projects. A maximum amount of direct relief has been extended to the Indians on the reservations.

In conclusion, I wish to express once again the belief that this work has been of untold benefit. Its continuance will further demonstrate to our people the splendid program which not alone rebuilds our physical resources but which also rebuilds hundreds of thousands of this Nation's men.

UPPER CAROLINA DEVELOPMENT ASSOCIATION

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

Mr. SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, undoubtedly the vision of brighter and better days laid before us by the message of the President on June 8 is the solemn promise of "a President who gets things done", of the realization of a just and fair economic system for the American people. The burning words of the President bring out into bold relief in my mind thoughts that have been somewhat hazy and uncertain for many years.

During these years I have contemplated for upper South Carolina a great movement of cooperation for its development through diversified industry and diversified agriculture. Now is the time for us to act. If we will organize as hereinafter indicated and present to the President at the next session of Congress a definite and concrete plan for carrying out his great program, then I have every confidence that our section will be among the first to receive the stimulus and benefits that he intends to confer here and there, until finally the whole Nation will be organized into one mighty cooperative movement among all people, all industries, and all activities, and thereby all American citizens enjoy to the fullest measure possible that "life, liberty, and the pursuit of happiness" contemplated by the American Declaration of Independence.

Below are some brief extracts from that wonderful message of the President which to my mind seem to indicate that he had our section of South Carolina before him as a picture and object lesson when he was thinking out this wonderful message. Whether or not it was specifically before him, it certainly is before my mind as I read and recall his message, and I believe that I can draw the picture so distinctly to the President that he will see that in the piedmont section of South Carolina is certainly one of the next

parts of the Nation to begin a section-wide movement for bringing prosperity and happiness to all the people within our bounds.

Here is the express language of our great President:

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.

Roosevelt is a President who makes his dreams for social justice come true:

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.

INSURANCE AGAINST UNEMPLOYMENT AND OLD AGE

President Roosevelt believes that government under the modern conditions under which we live is the people's agency to carry out the people's will and to bring about social justice between man and man.

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.

We need a plan and program for upper Carolina.

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.

We have land and water to master and use.

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.

Let upper Carolina organize now and be ready to take advantage of the President's proposal just as soon as it is enacted into law.

The rate of speed that we can usefully employ in this attack on impossible social and economic conditions must be determined by business-like 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.

Finally Roosevelt concludes that we, all men and women, all Americans, must carry on the fight for homes and home life, for a chance to work and to earn a fair wage, and for security against the hazards of the old, unstable, undependable economic order.

It is true that there are a few among us—

He refers to Republicans—

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 further on that road.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 8, 1934.*

NATURE'S WONDERFUL SOIL

The soil of this section, like the soil of any country, is the foundation upon which its economic condition must rest. The soil in the piedmont section of South Carolina is capable of being made the richest in the world. It represents the disintegration of gneiss and granite that was rich in phosphorus, potash, copper, iodine, iron, and many other minerals indispensable to human life, highly essential to human life, and promotive of that energy and vigor in human life so essential to progress.

OUR CLIMATE UNSURPASSED

The second indispensable element in the natural advantages of this section of South Carolina is its climate. Those who have lived there all their lives do not realize the wonderful blessing they have in the climate. The altitude ranges from an elevation of about 500 feet above the sea to 1,500 feet, near the foot of the mountains; and this means that it is never oppressively hot in summer and never extremely cold in winter. Furthermore, the very situation prevents extremes of temperature. In the first place, during the summer the nearby presence of the high mountains, ranging from three to five thousand feet in elevation, cools the air and thus causes it to be heavier than the warm air along the eastern slopes of the mountains. As a result, the warm air rises and is replaced by cool air drifting down from the lofty mountain tops. By a remarkable coincidence these very mountains which cool our climate in summertime also protect us from blizzards and extremes of cold in wintertime. The blizzards blowing from the great Northwest strike the Appalachian and Blue Ridge Mountain Ranges and are either broken or deflected to either the north or the south. The piedmont section of South Carolina is shielded by these mountains and sudden fluctuations in temperature and sudden falls in the mercury are thereby prevented.

PURE WATER AND ABUNDANT WATER POWER

The next factor in the physical set-up for any civilization is water. The water in the piedmont section is pure freestone, being filtered through the gravel and clay and accumulated in reservoirs below and running out in springs of the purest, freshest, and coolest water. These waters, gathering from a thousand springs, make rivers which, in tumbling from the higher altitudes to the plains below, make a vast water power available. Much of this water power has already been developed, but much of it remains undeveloped to this day, and if harnessed, as it should be, it would become the means of building our cities, towns, industrial centers, and farms into a very prosperous section.

OUR VIGOROUS WHITE POPULATION

The next factor, and perhaps the most important after all, is the quality of the white population living in this section of the State. Approximately 75 percent of the population is white, of which at least 99 percent is native born, drawn from that hardy, vigorous, and noble-minded race called the Anglo-Saxon, and more specifically the Scotch-Irish. The other 25 percent, the native-born Negro population, is generally amenable to the leadership of the white people, and can usually be led and guided into becoming highly useful workers in the fields and in certain forms of industry.

The white population is of the same stock that won the Battles of Kings Mountain and Cowpens. It is of the same stock that won the Battle of Bull Run on July 21, 1861, and a hundred other battles on Southern soil. It is the same stock that suffered unutterable and indescribable woes, miseries and privations after the inevitable surrender at Appomattox. It is the stock of those people who went back to their farms with their broken war horses and produced the means of subsistence for their loved ones. It is the same stock of folks who finally, in spite of carpetbaggers and scalawags, took possession of all the governments in the Southern States, as they did in South Carolina under Wade Hampton in 1876, and since have maintained the purest, the most economical, and the most efficient forms of government anywhere in the United States. These people cannot be submerged forever, or fail to win their prosperity and happiness, if given a chance to work and to win independence.

OUR WONDERFUL PIEDMONT SECTION

This marvelous piedmont section of South Carolina is already well supplied with ample railroad transportation facilities, being intersected by one of the greatest double-track systems of the Nation, with ample feeder and tributary lines and systems. In addition, splendid hard-surfaced roads intersect the entire area and make it possible for a farmer to deliver his produce of fruits, vegetables, poultry and eggs, milk and cream within an average of 1 hour after leaving the farm until reaching the farm-marketing center.

OUR GREAT TEXTILE CENTER

Already numerous textile industries are to be found. The greatest concentration of textile activities in the Nation is in this favored piedmont section. So many plants at and near Fall River, Mass., are closed or curtailed in activity as to make our section the greatest textile center in the Western world. What we need now is a greater diversification of industries. We need industries to supply all forms of machinery and equipment for the existing textile plants. We need industries to use the cloth from existing plants and process the same in a hundred ways in which cotton cloth may be used. But in order to induce these new industries to come we need encouragement to capital in the form of cheaper power, capital at lower interest and on long terms—that feature will be discussed later. These things the President has promised, and we can and should get them first.

HOW TO DIVERSIFY

Of equal importance as the diversification of industry is the diversification of farm products. To make such farm diversification possible cash markets for every form of farm product must be provided. That is why I am urging the establishment of farm-marketing centers in every county in this section of the State.

In fact, some of the larger counties might well have two or three such marketing centers so as to bring them close to the producers. Each marketing center might vary slightly from the others, both in capacity and in the nature of business carried on, but in general they will be of one type. That type will mean a modern cannery, conducted in a scientific way, so as to preserve fruits and vegetables in such a way that they will command the top prices in the best markets of the Nation. Also, there will be included a creamery, where milk and cream may be promptly converted into butter and all forms of cheese. They will also include small packing houses for converting cattle and hogs into all forms of meat products. In like manner there will be ample cold storage to preserve the foregoing products until they are shipped in carload lots, and also to preserve eggs and dressed poultry until the same shall be shipped in refrigerated cars, or in cold-storage shipping crates, to the great centers of population. This means land will again rise in price and ever be the best investment and best security in the world.

PLANS FOR FUTURE PROGRESS

This program of diversification of both industry and agriculture will call for additional subsistence homestead projects. The three projects already authorized for the piedmont section will be multiplied many times in bringing about a coordination between agriculture and industry. This diversification and coordination will undoubtedly result in the complete control of soil erosion that has been sapping the fertility of our fields. In like manner these fields will begin to grow more fertile, by reason of not being exclusively planted from year to year in cotton but in food and feed crops to be used for the subsistence of man and beast, and for the surplus of such food and feed crops to be shipped to the northern markets. When the fields stop washing, then the creeks and rivers will no longer fill up with sand and mud and the power plants that will be found in every stream, one below the other, in close succession, will constitute flood-control agencies, will hold the water back until it is fed gradually through the power wheels, with but little waste; and this will mean that drought will be stayed by the hand of nature, destructive floods will be no longer common, the rainfall will soak into the soil and come out through the springs, vegetation of all forms will cover the now naked hills; and those who shall be living 25 years from the beginning of this coordinating and cooperating program will see the piedmont section of Carolina one of the richest parts, if not the very richest part, of the whole world.

Land prices will be high and steady, good houses and automobiles will be found upon every farm, the small towns will prosper because they will have a prosperous back country to trade with, and the cities will prosper because both small towns and country will constitute a reservoir of wealth from which the cities may draw resources for the service that they render in the manufacture and distribution of the products of the section.

ROOSEVELT'S BUGLE CALL TO PROGRESS

This will call for rural electrification. It will mean that all these small industries and all of these modern farms will be using vast quantities of electric energy to carry on their projects. The supplying of electric power in such large quantities will justify the sale of same at lower prices. If the existing power company or companies fail to meet this reasonable demand for cheaper power when used in such large quantities, then it will be the privilege and power and duty of the people themselves to establish ways and means for obtaining cheaper power. This can be done. The message of President Roosevelt of June 8, 1934, is a clarion call to the people of the whole country, and especially, it seems to me, to the people of our section, to use the land and water—that is, the soil and water power—for the uplift, enrichment, and happiness of the people themselves. I extract these brief quotations from that message of the President. We who have been in close contact with President Roosevelt know that he does not "talk through his hat."

During the years of affliction when he was fighting disease, he was also working out in his mind and heart great plans for leading the masses of the American people into the paths of peace and prosperity and contentment. This great message of June the 8th, one of the greatest ever delivered by any President of the United States, is a promise that the President proposes to fulfill. He proposes that all the people who try to cooperate in this Nation-wide program shall enjoy security of home, security of means of living, and security by social insurance from the hazards and perils of unemployment and old age. He thus notifies the American people that he and his immediate helpers are working upon this program and will have definite plans for the consideration of the next Congress. We of the piedmont (Carolina) should be working beforehand with the President and on the same line. I rejoice in the fact of cooperating with the President in the enactment into law of some of the chief pieces of legislation setting forth the outline of the great program of recovery and the reestablishment of prosperity and happiness. One of the most important of these is the Tennessee Valley Authority. Sections 22 and 23 of that act picture the ideal of the President for the entire American Nation. He hopes to help set in motion agencies

that will bring into every nook and corner of the Nation organizations and instrumentalities for fostering an orderly and proper physical, economic, and social development of the country.

COOPERATION AMONG ALL PEOPLE AND GROUPS NECESSARY

We of upper South Carolina should begin to plan now to have a place in this great program of President Roosevelt. Our various civic bodies and chambers of commerce, and fraternal organizations, and labor unions, and farm unions, and cooperative associations, and other patriotic and civic societies should take this matter under consideration, send delegates to a section-wide convention, and begin the organization of a concrete and definite plan and program to submit to the President, and through the President, to the next Congress for carrying out a mighty ideal of development for our beautiful and promising part of the Nation. If we will do this and get in on the ground floor with something definite, I believe it will be easy to enlist the help of the President, and therefore make it possible to put through Congress such a program. We know what great blessings the people of the Tennessee Valley are beginning to enjoy because the President became interested in that section. Already nearly $50,000,000 have been expended in power development and in carrying out plans for the improvement of the country, and especially of the people living in that area. If we lay plans such as the people of the Tennessee Valley did, if we organize as they did, if we present a solid front to the President as they did, then we too can and will obtain results.

OUR PLAN FOR MARVELOUS PROGRESS

In fact, we of the piedmont (Carolina) can present a more fascinating and attractive picture to the President than did the Tennessee Valley. I was largely influential through a period of 12 years in saving the power of Muscle Shoals and of the Tennessee River, generally, for the people. I know that others are entitled to equal or more credit; but I was at least one of those constantly on the job, as abundant records will prove. The President knows this, and I can present to him the possibilities of a more rapid demonstration of economic and social development, if applied to our section, than was possible for the Tennessee Valley. We have a more progressive population. We already have a large measure of industry. We have a most marvelous soil. We have transportation and communication lines in abundance. We have a climate unrivaled anywhere in the world. Therefore we can start now and be several jumps ahead of where the Tennessee Valley will be 10 years from now.

With the expenditure of not over $30,000,000 covering a period of 10 years, in the construction of farm marketing centers, in the extension and enlargement of soil-erosion-control projects, in the expansion of reforestation, and in the establishment of the national forest reserves; in the multiplication of subsistence homesteads, in the payment of salaries to a sufficient number of technical leaders and advisers to carry on the diversification program in both industry and agriculture, and in the promotion of schools not only for young people but even for adults, not merely to teach the elements of the three R's, which is already being done but also to instruct the young men and young women, and adults below middle age, in the arts of canning, and of planting and cultivating fruits and vegetables for canning; in the erection and management of creameries, in the making of butter and cheeses, and in the producing of milk on the farm, involving breeding, feeding, management, and handling of milch cows in the management and operation of small packing houses for the slaughtering and manipulation of all kinds of cattle, and the putting up of the meat into suitable and attractive marketable forms, and in the production upon the farm and in the manufacture at the farm-marketing centers of products of all sorts of nuts and grains; in the production, drying, and curing of potatoes in large quantities for the local markets, as well as northern markets—all this is education of a substantial kind.

This is the kind of education that was and is being carried on in Denmark. In a period of 75 years it lifted the people of Denmark from a state of abject peasantry, of utter illiteracy, and of pitiful poverty to the point where they are now the most prosperous per capita, from an agricultural point of view, anywhere in the world. I visited Denmark in the summer of 1929 for the purpose of studying conditions at first hand. There I found people, and especially teachers, from nearly all the countries of the world. Denmark is a great object lesson in the possibilities of practical education and cooperation in the production and marketing of farm products. Seventy-five years ago those who now own the lands were miserable tenants upon the lands belonging to hereditary families. The people took charge of the government and the government declared that the people should have a chance to own the lands which they worked; the large landowners sold their lands to the government, and the government in turn cut it up into small tracts and sold it upon long terms of 20 to 40 years, at very low rates of interest, to those who wished to work it with their own hands.

Naturally, the soil of Denmark is poor. As compared with that in our section of Carolina it is miserably poor. But by their processes of cultivation, the use of clover, by abundant livestock, and by rotation of crops, they have converted that terribly poor soil into what appears to be a garden from one side of the country to the other. In every small town is what I would call a farm-marketing center. These belong to the various cooperative societies. They produce the best butter and cheese, the best hams and bacon, the best chickens, turkeys, and eggs to be found on the markets of Berlin, Paris, and London. They demand a high standard of quality, and every farmer must bring this high-quality product to the farm-marketing center; and if he does not, his product is turned back upon his hands. Consequently Danish products command the top price in the markets of the world.

Mr. Speaker, this is no idle dream. It is an effort to apply to one pare of the country what the Fathers, who signed the Declaration of Independence, intended should be applied to all parts of the country. I am a Jeffersonian Democrat, not of the sort that says that government must keep its hand off of those individuals who would seek to monopolize the natural resources of the country for their own private profit. I am not the kind of Democrat that says that society is likened to a jungle where the strongest may subject the weakest to his will at any time. I draw my ideals of Jeffersonian Democracy from all of Jefferson's messages and letters and state papers, contained in 20 volumes in my library. But I hold that the supreme and controlling expression of all of Jefferson's philosophy of government is found in the Declaration of Independence, which was drafted by his own hand. In that Declaration, as the pivot around which the whole proposition revolved, we find these words:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it, and institute in its stead new government, laying its foundation on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness.

The fathers, who fought through 7 long years to make that declaration good, believed in that truth, and many of them laid down their lives on such battlefields as Cowpens and Kings Mountain to seal their devotion to that ideal. In like manner those fathers, having the same faith, who survived the bloody struggles of the Revolution and met in Philadelphia in 1787 and formulated the framework of a Federal Government under a Federal Constitution, intended that this great Constitution should be the means of accom-

plishing the aims and ideals of the Declaration of Independence.

In the preamble to that great Constitution, those who drew it in the Convention, and those back home who ratified it in every State, declared that their purpose was "to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity." Thus the Declaration of Independence, also Jefferson's great struggle to abolish the law of primogeniture in Virginia, his mighty achievement in securing the passage of the statute for religious liberty in Virginia, his negotiating the purchase of the Louisiana Territory under the implied powers of the Constitution, his last great life work in organizing the University of Virginia to set the minds of men free from every form of slavery, these are the sources from which I draw my understanding of Jeffersonian democracy; and for that reason I believe that the message of President Franklin D. Roosevelt, delivered on June 8, 1934, is in furtherance of the spirit, aim, and ideals that dominated the heart and life of Thomas Jefferson.

The following summary of objects and results that can and should be accomplished by the organization of an upper Carolina development association, in order to be ready to offer a definite program to President Roosevelt and the next Congress, is as follows:

First. More subsistence homestead projects situate near all the cities, towns, and large industrial establishments.

Second. Ample financial assistance to city and industrial workers to establish themselves on small and independent farms, with ample conveniences of light and water.

Third. Financial help to heads of families in building, rebuilding, and improving homes, whether situated in cities, towns, suburbs, or country.

Fourth. Financial aid for the establishment of new, small, and diversified industries.

Fifth. Financial assistance to small industries and business concerns to keep them going, to employ labor, and to enlarge their activities.

Sixth. More projects of demonstration in soil-erosion control and in soil building and in converting waste land into grazing land.

Seventh. Additional projects of reforestation on submarginal lands bought by the Government to be taken out of production.

Eighth. Employment and use in sufficiently large numbers of leaders and instructors in all forms of diversified agriculture, such as fruits, vegetables, milk, cattle, grain, grasses, and so forth.

Ninth. Farm marketing centers, at least one in each county, including canneries, creameries, meat processing plants, cold storage and egg and poultry assembling plants, to give a market at the top price any day in the year for anything the farmer has to sell.

Tenth. Coordination through plans and committees for cooperation between merchants, farmers, factories, schools, and all other public enterprises, to insure the highest efficiency in every enterprise and project included within the association.

Eleventh. Cheaper power, cheaper fertilizer, lower rates of interest, better prices for all products, and steady employment for all persons willing to work, even including students during vacation season, when canneries are busy.

Twelfth. Consequently, we will have for upper Carolina better schools and churches, better homes in the city, town, and country, all finally free from mortgages, and as a result of the whole program a prosperous and happy people.

OUR ANTIQUATED POOR RELIEF AND PAUPER LAWS; THE ANCIENT ATROCITIES THEY PERPETUATE—A NATIONAL PROBLEM FOR SOLUTION BY THE SEVERAL STATES

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

The SPEAKER. Is there objection?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, contemplated and suggested plans to abolish poverty, and the consideration of problems of so-called "social insurance" have again been brought forcefully to our attention by the recent message of President Roosevelt. That they should command our earnest consideration and attention cannot be gainsaid. We should realize that of all the English-speaking countries we are the most backward in the adoption of constructive care for the aged. We are definitely left in the ruck by European countries and take our place with India and China as countries who have failed to forge ahead insofar as social insurance is concerned.

There is no escape from the responsibility that rests upon us as a people. These problems must be met and a solution evolved, since they can no longer be avoided, should not be evaded. They present a Nation-wide situation, affecting every town, city, county, State, and the individual taxpayers therein. A way out should be and must be found.

NOT TO BE SOLVED BY FEDERAL STATUTE

National in scope and involvement, it is nevertheless true that they should not be solved by the enactment of Federal statutes nor the assumption by the Federal Government of the burdens they impose. Such assumption is not a proper function of the Federal Government. Such usurpation and exercise by the Federal Government of undelegated powers jeopardize the entire American plan for the protection of human freedom. Such an attempt vests unlimited governmental agents with limitless powers and proposes the enlargement of the functions of government beyond its proper purpose.

Plans for the relief of human need, suffering, and misery are wisely advocated, but to attempt to utilize the power of Federal Government as the means for the accomplishment of the end sought is to undermine the foundations on which the American structure of liberty has been reared. The age-old question may again be cogently asked, "If the foundations be destroyed, what can the righteous do?"

Venerable Samuel Williams, a Vermonter, writing in the distant year of 1794, said:

> It has ever been the case that government has had an universal tendency to increase its own powers, revenues, and influence. Upon what, then, can the people depend for the support and preservation of their rights and freedom? Upon no beings or precautions under heaven but themselves. Ye people of America, behold here the precarious foundation upon which ye hold your liberties. If you should lose that spirit of industry, of economy, of knowledge and virtue, which led you to independence and empire, then, but not until then, will you lose your freedom.

This might have been written yesterday rather than 140 years ago.

The safety of America and its ideals lies in the reestablishment of our plan and theory of government, in the restoration and enforcement of constitutional limitation in government, and in forcefully resisting all attempts at unwarranted extensions of Federal power. America and Americans need a reeducation in and rededication to fundamental principles.

RESPONSIBILITY OF THE STATES

The solution of problems to which I have had reference is essentially the prerogative of the people of the several States. The responsibility is theirs, not that of the Federal Government. Those who would discard our theory of government, who would permit the unwise concentration of power in Washington, or would establish the sovereignty of government over the people, are helping in the process of disintegration, in the process of destroying their very own liberties.

Believing as I do that the solution of these questions rests primarily and essentially on the people of the several States, I have interested myself to obtain and to have compiled certain data and information with respect thereto, which I submit for your consideration.

The magnitude of the problem can no longer be minimized. Striking emphasis is added when we take cognizance of the fact that the number and proportion of aged persons in the United States have been steadily increasing.

Year	Total population	65 years and over	
		Number	Percent of total population
1870	38,558,371	1,153,649	3.0
1880	50,155,783	1,723,459	3.4
1890	62,622,250	2,417,288	3.8
1900	75,994,575	3,080,498	4.0
1910	91,972,266	3,949,524	4.3
1920	105,710,620	4,933,215	4.7
1930	122,775,046	6,633,805	5.4

NOTE.—U.S. Census figures.

The observations of a student of this subject tell us in forceful language that, "Despite its shifty population, the poorhouse in many of our States is a 'catch-all' institution and frequently is still the sole place of refuge for a heterogeneous group of young and old victims of misfortune. It shelters together the feeble-minded and epileptics, the cripples and imbeciles, the prostitutes and abandoned babes, the retired criminals and the wornout drunkards, the victims of loathsome diseases, and the superannuated toilers."

OUR POOR-RELIEF LAWS AND THE ANCIENT ATROCITIES THEY PERPETUATE

In January of the coming year the State legislatures of 44 of the 48 States will be in session. At this time one of the most important problems facing them will be the modernization of some of their obsolete poor-relief laws. Those good citizens of your States and of my own State of Vermont who, through no fault of their own, now find themselves dependent upon outside aid to provide the necessities of life are some of the finest people in the United States. Penniless amid great plenty, they are in no way paupers in the old sense of the word. To have nothing is not poverty. In reviewing the poor-relief laws which now exist in the various States I have been astounded to discover how little cognizance is taken of changing social conditions, and I am taking the opportunity of bringing this situation to the attention of the Congress, with the earnest plea that you use your influence to bring about a modernization of the poor-relief laws in each of your States. The laws which now exist in some of our States are a positive disgrace in this day and age. "Poverty is shunned and persecuted all over the globe."

Poor relief laws, whether called "pauper laws", "support of the poor", "poor laws", or by newer terminology, have one thing in common—they are generally poor laws, in another sense. Most of them are survivals of the oxcart period. Few changes in poor relief statutes have been made. "The poor laws of most of our States are practically modeled after the ancient English poor law system which has undergone considerable changes in the mother country. Their language, in many of our States, is almost identical with that of the Elizabethan poor law of 1601. The entire plan was brought over to this continent by the early English settlers and after nearly 300 years remains practically unchanged", says Abraham Epstein in his monograph, Old Age Security. Instead, new statutes have provided special forms of relief, such as mothers' aid, old-age pensions, and blind pensions much more in harmony with modern social work, with special machinery set up for administration usually without relationship to the older poor laws. The question whether poor relief statutes should be repealed and new laws enacted, or whether they should be amended to the extent of bringing about fundamental changes, is of immediate interest.

The burden of relief that has resulted from wide-spread unemployment has focused attention on the existing situation and makes this a very fitting time to consider change of name, codification of law, and the development of a unified administrative organization for all forms of direct assistance. This is desirable from the standpoint of those who will require assistance and the taxpayer also, who is entitled to effective and economical administration instead of a myriad of overlapping and duplicating agencies.

Local government responsibility for public assistance is incorporated in the old poor laws, with townships or counties usually responsible for administration. Antiquated settlement laws are also involved in this ineffective system, which has resulted in poor standards for both administration and relief. Few States have provided any effective machinery for State supervision, if such there should be, of either indoor or outdoor relief, and State financial responsibility has been limited to a few States, and even there to the care of the State poor who have no settlement locally.

The old terms "pauper" and "poor law" are the rule, and modern terminology such as "public assistance law" or "public welfare law" the exception. Many questions are involved in making the desired fundamental changes in the present laws, some of which definitely require a knowledge of present practice in order to determine what should be the desirable principles to incorporate in new public assistance laws. With this in mind, and because of the present interest in the subject, I am taking the liberty of bringing to your attention some of the most glaring deficiencies reported to me as existing in these laws in the several States.

LIMITATION OF SUFFRAGE

In 13 States the laws provide that those receiving public aid shall be deprived of their rights as citizens. These States are: Delaware, Louisiana, Maine, Massachusetts, Missouri, New Hampshire, New Jersey, Oklahoma, Rhode Island, South Carolina, Texas, Virginia, and West Virginia.

The legal provisions limiting their suffrage are as follows:

DELAWARE

No pauper shall enjoy the right of an elector (constitution, art. 5, sec. 2). (See also Laws 1925, ch. 106, sec. 9 (VII).)

LOUISIANA

The following persons shall not be permitted to register, vote, or hold office or appointment of honor, trust, or profit in this State, to wit: * * * those who are inmates of any charitable institution. * * * (constitution, art. 8, sec. 6).

MAINE

Paupers are not allowed to vote (constitution, art. 44, sec. 1, as amended).

MASSACHUSETTS

Paupers are disqualified as voters (Gen. Laws 1932, ch. 51, sec. 1, constitution, amended, III).

MISSOURI

No person, while kept in any poorhouse at public expense * * * shall be entitled to vote (constitution, art. 8, sec. 2).

NEW HAMPSHIRE

Paupers (defined for this purpose as those assisted within 90 days prior to the meeting in which they claim the right to vote) do not have the right to vote in the town meeting (ch. 23, secs. 1, 2. (See constitution, art. 28.)

NEW JERSEY

No pauper shall enjoy the right of an elector (Comp. Stat. 1910, constitution, art. II, sec. 1).

OKLAHOMA

No person, while being kept in a poorhouse or other asylum at public expense * * * shall be entitled to vote at any election under the laws of the State (Stats. 1931, constitution, art. 3, sec. 1).

RHODE ISLAND

Paupers are not allowed to register or vote (constitution, art. II, sec. 4).

SOUTH CAROLINA

Paupers are disqualified from voting (constitution, art. 2, sec. 6).

TEXAS

Paupers supported by the county are not allowed to vote (art. 2954).

VIRGINIA

Paupers are excluded from registering and voting (constitution, art. 2, sec. 23).

WEST VIRGINIA

Paupers are disqualified as voters (constitution, art. 4, sec. 1).

These ancient survivals have no justification under present-day conditions. In these days if we were to recognize the principle that those who are recipients of public aid in one form or another should be disfranchised, we could abolish Congress and hold a town meeting here in Washington of the few stray souls who alone of all the people in these United States would be entitled to vote.

THE POOR ON THE AUCTION BLOCK

Even more archaic than the restriction upon suffrage are those which permit, and in some States require, the counties to put the poor up for auction and sell them "down the

river" to the lowest bidder. We can scarcely believe that such a situation still exists, but let me read you some of the present State laws in many cases now being enforced.

ARIZONA

The county board of supervisors must "let the care of indigents of the county, including medical attendance, medicine, food, lodging, clothing, and other supplies, to the best responsible bidder" (sec. 811, as amended, Laws, 1929, ch. 33; secs. 81, 817).

ARKANSAS

Where no poorhouse is established, the county court, after published or public notice, may annually let out the poor to the lowest responsible bidder, under his bond, who must contract to house, clothe, feed, and furnish medicine and medical attendance to all persons placed in his charge by such court. Counties are not to be liable for the support of any pauper who may refuse to accept county aid in the manner here provided (sec. 8158).

IDAHO

The board of county commissioners may contract for the care and maintenance of the indigent sick or other dependent poor (sec. 30-2901).

ILLINOIS

Where there is no poorhouse the support of the poor may be let out on contract by the overseers of the poor (ch. 107, sec. 21).

IOWA

The board of supervisors may make a contract with the lowest responsible bidder for the support of any or all the poor of the county for 1 year at a time (sec. 5334).

MAINE

Persons chargeable to the town shall not be "set up and bid off at auction", either for support or service, but the town at their annual meeting may contract for the support of the poor for a term not exceeding 5 years (sec. 11). Overseers may set to work or by deed bind to service upon reasonable terms for a term not exceeding 1 year persons having settlement in the town or having none in the State, upward of 21 years, having no means of support, and living idly; and all persons liable to be sent to the house of correction (sec. 20).

OHIO

When more than temporary relief is required, the support of such persons must be let under contract to a "suitable" person for not more than 1 year (secs. 3488-3489).

OKLAHOMA

In counties where there is no poorhouse, the overseer must contract for the support of the poor yearly (sec. 7557).

MONTANA

The board may let out the support of the poor under contract to the lowest responsible bidder annually (secs. 4525, 4526, as amended laws 1933, ch. 50, sec. 4528).

SOUTH DAKOTA

In counties where no poorhouse is established, it is the duty of the commissioners to contract for the maintenance of the poor (sec. 10040).

TENNESSEE

The county court may let out the support of the poor with the use of the poorhouse and farm for a period not exceeding 3 years, or may contract for the support of any or all of the poor for a period not exceeding 1 year (secs. 4816-4817).

WASHINGTON

The board of county commissioners may contract for the necessary maintenance of the poor or appoint such agents as they may deem necessary. They may establish and maintain a workhouse and make regulations for its management (secs. 9984, 9991).

WYOMING

They may make contracts for the necessary maintenance of the poor or appoint the necessary agents (secs. 29-1202).

Other State laws deprive the unfortunate of the dignity of living in their own homes, even though they must receive aid. In Indiana, for example, the poor laws provide:

All persons who become permanent charges on the county must be removed to such asylum (sec. 12298). It is the duty of the overseers of the poor and superintendents of county asylums to bind out such poor children as fall under their care (sec. 12307).

A Michigan law provides:

All permanent charges must be maintained in the county infirmary (sec. 8236).

A New Jersey laws provides:

Those requiring permanent relief shall be committed to the almshouse or welfare house (secs. 161, 162).

A South Dakota law provides:

All permanent charges on the county must be maintained in the poorhouse when established (sec. 10057).

BREAK-UP OF HOMES

In some States we have the spectacle of aged people being committed to State hospitals for the insane merely to save the counties the expense of their keep. This fate is what the unfortunate in some States may look forward to instead of an honorable and respected old age. Present State laws which permit counties to shift the cost of the dependent to the State by committing them to State institutions for the defective and delinquent have no place in modern society. As long as such laws prevail we will continue to have, also, the spectacle of little children committed to reformatories and other State correctional institutions merely to relieve localities of the expense of their care.

Modern social ideals emphasize the importance of keeping families together in their own homes, but in a number of States vicious poor laws are resulting in the needless breaking up of families and in the stunting of child lives away from family influence in order that children may be supported in State institutions and thus relieve the counties of the cost of mothers' aid.

For the collection and compilation of the material which I have presented I am indebted to the American Public Welfare Association, whose representatives are in touch with public-welfare legislation in every State throughout the country. Their advisory and consultant services are available gratis to any Congressman or other public official who is genuinely interested in welfare legislation.

I bring these laws to your attention, not with the desire to disparage the provisions for the care of the unfortunate in any State but because I sincerely believe that you should know about these things. I believe that the time has come when a fundamental change in our State laws should take place. I know of no group of men who can be more influential and effective in this work than you, my colleagues.

CONGRESS WILLIAM W. HASTINGS

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, it is a very common thing for us to say when a Member retires that his place will be hard to fill. In all my experience here I do not recall any Member to whom this is so eminently applicable as in the case of our retiring colleague from Oklahoma.

For many years Congressman Charles D. Carter, of Oklahoma, and our colleague were our guardians of everything pertaining to the Indians throughout the United States; and since the retirement of Mr. Carter, 8 years ago, this very great responsibility has devolped upon Mr. Hastings of Oklahoma. He has been our never-failing guide upon the thousands of questions that arise pertaining to the Indians. He has known the Indians from his birth. He is absolutely honest and absolutely fair. He thoroughly knows what is right between our Government and the something like a hundred different tribes of Indians. No one can ever estimate the value of his painstaking, industrious, and conscientious services to our country and to the American Indians. Many of us have Indian constituents, but no one in this House can at all take his place.

Trusting the House will pardon a personal reference, I speak from intimate knowledge of this matter, because as members of the Interior Department appropriation subcommittee, handling all the funds that go to the Indians and all the thousands of other matters coming under the Interior Department, from the Arctic Circle to the Equator, he and I have been closely and constantly associated together for many years. He is one of the very highest type of representative in Congress. He has character, good judgment, very exceptional efficiency, energy, and a world of personal knowledge and actual experience.

It is really with profound sadness that I realize that from now on neither our country, nor the House, nor that committee will have the incalculable benefit of his services. It is really a tremendous loss. I predict that the future historians of the Red Man will place the name of Congressman WILLIAM W. HASTINGS along with that great Cherokee Indian Sequoyah as one of the greatest real friends and benefactors that the American Indians have ever had. [Applause.]

But that is only one of his many activities. He has always been an alert and hard-working Member of this House along a wide field of activities, and it is with the greatest regret that we older Members learn of his retiring from this body. We all certainly wish him many years of happiness and success. He has served his country nobly and well. He has been an honor to Oklahoma and to this House. He has manfully played the game of life on the square. We are all genuinely proud of him and we reluctantly bid him an affectionate good-bye and godspeed. [Applause.]

ON OUR WAY; BUT WHERE?—100,000,000 PEOPLE OUGHT TO KNOW

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

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. Mr. Speaker, the first session of this Congress and the second, which now draws to a close, have conferred upon an American President and, I may add, upon a multitude of officials, corporals to generals—but all with authority, more powers and control over the destinies of the American people than were even conferred upon President Lincoln in the battle to preserve our Republic, or upon President Wilson for our part in the greatest war of all history.

We have all done our best in this session of Congress to aid in a tremendous necessity of recovery from a great depression. He indeed must be low in courage or ignoble in motive who, as a Member of this Congress, has not made a sincere effort to do his share.

Our duty here, particularly at this time, is to give every facility to the administration to meet the dire necessities of our people, yet we are equally here to exercise our judgment in seeking to modify or prevent the passage of measures which we may not honestly regard as sensible or which we may look upon as inimical to the interests of our country.

I wish to submit that it has been unfair, unjust, and even unwise to have applied to men of substance, sincerely striving to do their share, epithets such as "traitors", "scribes", "Pharisees", "demagogues" "nation wreckers", or "public enemies", scourging those who have dared to raise their voices in honest criticism of measures which affect so directly the destinies of 130,000,000 people. Those who have dared to criticize have been castigated because they offer a criticism without accompanying it with a "constructive alternative."

Where one body of men is doing all the planning and retains all the power of execution, it is neither incorrect nor is it misleading to say that any criticism which may help to avert or correct destructive measures, whether it be by a business man or just a plain Republican, is in itself constructive. It is a "constructive alternative" to prevent destructive acts. Perhaps some politically minded Members of this august body would prefer to have those who oppose blind acceptance of legislative emanations of experienced young zealots sit back in their seats and do nothing and say nothing, but that is not why we are sent to Congress, and we do not have to defend our criticism before reasonable people.

Our memories must indeed be short if we so soon forget the "wolf, wolf!" heard so often from our soldier-salvationist, General Johnson. Are his wolves real, or are they poodles stuffed with sawdust?

Perhaps some of us may suffer reproach in 1936 or 1937, if by then the country has gone completely to the bowwows, why we did not speak out and give some word of warning.

In the first session of this Congress the social experimentation of the "new deal" took form in a number of sweeping legislative measures. In this second session Congress, the press and the people have been inundated with a perfect flood of new and complicated power-broadening measures. Some of them are worthy reforms which transcend political or sectional lines. Some of them attempt assistance to certain classes of population at the direct expense of other equally large classes. Some of them are designed to have the Government regulate the activities of certain kinds of individuals who committed the crime of having a "profit motive." Others appropriate sums of money for relief, public works, and other extraordinary spendings on a scale far more vast than that ever attempted by any government in the whole history of the world. Others confer, or would confer, upon one man or his appointees the powers that are fundamental in the modern world—powers of currency manipulation, control of trade, credit, banking, investments, and dealings in securities or commodities. Others, again, are manifestly to put into irrevocable experiment social, if not socialistic, theories. Still others are merely stop-gaps or the fulminations of the mind of some social theorist who cannot quite explain his theories so they are understood by people of ordinary intelligence.

No one man, even be he of highest intelligence and be he able to spend his whole time studying all these legislative measures of the first session, as they have been prolonged and extended in the second session, would be able to achieve even a fair understanding of the social and economic implications of all these bills. It is doubtful, indeed, if any one man has even read them all in any analytical way.

In addition, and in the meantime, the various administrative agencies of the Government, with new commissions, corporations, boards, committees, and authorities, have been whirling about in concentric circles, intensely engaged in attempts to carry into effect the powers and mandates conferred in the new laws which passed during the first session. If any one man tried to keep track of their activities as well, he would find himself soon scheduled for a prolonged stay in the sanitarium.

The object of my remarks today is to attempt to impress upon the Members of Congress, as well as on their constituents, the great mistake that we will make if we consider our duty done with the passage of these laws or that we have completed our duty in offering such resistance as we severally may have to their passage. I would state that I consider it our most serious duty to familiarize ourselves with all of the important measures passed by this Congress and particularly to keep track of the manner in which they are administered and closely to watch the actions carried out under the powers they confer.

The time for blind acceptance of experimental measures has passed. The time for critical supervision of the acts of the administrators has come.

Are the reforms enabled by these laws to be put into effect by a motley group of social reformers who have records of little previous practical achievement, hurrying and scurrying about molding the conditions of human existence under the vague and inchoate ideals of abundancy in a workless life? Is the mere passage of a law, followed by the fanfare of trumpets of innumerable publicity agents, to mislead us into believing that regardless of common-sense principles developed down through the ages that happy days are here forever if we only try anything once? Are these vast projects to make Americans "larger, brighter, gayer, and better-looking"—in the words of one "new dealer", a former "expert on wind vibration in high buildings"—as soon as we recognize the profundity of his statements that "everything we were taught in school is exactly wrong, truth is no longer a virtue, saving for a rainy day makes it rain all the harder"?

Are we to avoid facing realities because another, formerly an expert in the study of the habits of plant lice, shows us the way to get around realities? As the summer and fall pass behind us, are we going to see vestiges of business recovery of a common-sense order, along the lines we used to think of as normal before having been subjected to the dazzling hypnotism of a new intellectual order—or are we to get dizzy trying to follow frantic efforts first in this direction, then in that, dropping one measure after another, trying still more experiments, and then come back to Congress in 1935 to again be swamped with another avalanche of emergency legislation?

It behooves us to keep most careful track of these fervid mystic guides to the promised land way up high above the

clouds. I sincerely hope that our precocious young "brain trusters" will lay off thinking up new legislation during the summer and will apply their extraordinary qualities to actually trying out some of these laws, so we can get some idea what they are going to do for us. I hope that they will not find too many of them unworkable at all, or, if they do, they will find it out before more machinery is smashed. Anyway, we are tired of emergency legislation. We are glad not to have to keep worrying for a while about weird legislative experiments which we know are going to be passed anyway with or without debate or with or without our "yea" or "nay."

PLANNED ECONOMY OR ECONOMIC PLANNING?

For many years I have been stumbling around in the dark trying to get some lucid idea of what is this planned economy. The papers have been full of it. After studiously perusing Mr. Tugwell's words of wisdom, I confess I am not much better off. I do understand, from an address of his before the American Society of Editors, that the new deal does not stand for communism, socialism, or fascism and that there is no regimentation, but that instead the new deal is trying with might and main to strengthen the democratic process in place of what he called the "industrial regimentation" of the past. I confess with some difficulty I try to discover the details of how the new deal is going about its job of breaking up individualistic control of industry and finance, but can only assume from his remarks that somehow by some method some Government agency is undertaking this task. Maybe he means that the cumulative powers of the N.R.A., A.A.A., Securities Act, Stock Exchange Control Act, Bankhead Cotton Act, T.V.A.—and I do not know how many other laws—are consciously being applied to getting private business out of business and putting the Government in. But he elsewhere denies that he favors economic planning. In the Senate committee he said:

> I believe in the kind of planning we are doing now, but not in a planned economy, which is best defined by reference to the Russian system.

In another place he wrote:

> The experiments commenced in 1933 in the United States are worth-while beginnings—they are not economic planning, but they afford new opportunities for working out plans.

I am ashamed that I do not understand these statements.

On the stand Dr. Tugwell states as between the Constitution and the ideal of planning there would be inconsistency "if we are going to have a planned economy * * * but I do not favor it." Before coming to Washington Professor Tugwell had said, "The challenge of Russia to America does not lie in the merits of the soviet system, although they may prove to be considerable. The challenge lies in the idea of planning, of purposeful, intelligent control over economic affairs. This, it seems, we must accept as a guide to our economic life to replace the decade of notions of laissez faire." In the hearing Dr. Tugwell declared himself to be "as much an advocate of decentralization as anybody could be." I confess inability to reconcile that with another statement of Professor Tugwell that "few intelligent people doubt that dependency to intrust more and more activities to the Government will continue to grow. We should recognize the advantages of the new trend * * *." The doctor at one point rather plaintively queries, "Why is it that my word cannot be accepted?"

I do not say or even impute that it would be a disgrace for a professor to advocate economic planning. They ought to, with no feeling of shame. I just wonder how we can find out what these things mean if the professors will not explain them so that ordinary people can understand.

In my searches to discover planned economy, or economic planning, or Government planning, or whatever you want to call it, I have had a faint glimmering that if the Government wanted to do some coordinated planning it might in normal times do it by calling a Cabinet meeting, perhaps with a special invitation to the Director of the Budget. I admit that might not quite work out now. It would be a convention rather than a conference if all the alphabetical agency heads were there. A mere Cabinet meeting would not be nearly enough, for Cabinet members cannot be blamed if they are not thoroughly aware of exactly what the alphabetical agencies are doing.

We have heard of a National Emergency Council organized to coordinate all these things. Congress or the people would be interested in the coordination of the national plan. What has N.E.C. coordinated?

In spite of all our fine reform measures, will we be blamed if during the summer we wonder how many millions will be unemployed next winter? Some expect there to be almost as many millions as last winter, but this seems like blasphemy in the presence of "new dealers'" promises to carve out of the jungle of a world depression an economic paradise, protected against the wicked natural elements of business by a camouflaged roof of planned economy, landscaped with regimented hedges and subsistence factories producing rum and streamlined post-office furniture, tended by an army of gardeners recruited from a legion of "ism" schools of sociology, and fertilized by generous spreadings of public-relations propaganda.

May we not, in fact, soon suspect that the ukases which govern life in such a Pollyanna paradise will, instead of being signed by some such name as Rex Tugwell, bear some such as Tugwell, Rex?

GOVERNMENT REGULATION OF BUSINESS AFFAIRS

Federal regulation in its spreading out to major activities of the country in the short space of slightly more than a year has accomplished rather surprising results. The regulation of the farmers under the A.A.A. has given them higher prices with which to pay for even higher prices of goods they need produced under the N.R.A. The workers may have joyously found higher wages under the N.R.A., but when they have gone to their stores have slightly lost enthusiasm because of the even higher prices they have had to pay for necessities produced under the N.R.A. and the A.A.A.

Of course, the monetary policy has been aimed to keep a jump ahead of these differentials, and in some respects it has. At times the statistics show a paper recovery, immediately and quite effectively released to the press to be blazoned under exaggerated headlines for popular consumption.

Everyone feels very much encouraged, but those who look beyond the headlines "unpatriotically" wonder how long the jockeying of one price element against another can go on before another inflation of currency will have to be introduced to readjust the unequal advances of economic planning.

Raise industrial prices by raise of wages to increase workers' purchasing power. Curtail food production to give the farmer more income to pay higher prices for other commodities. If in this manipulation either the farmer or the worker has to pay proportionately more for his necessities, lower the value of money so all prices will go up and while they go up we will all be happy and gay reading of the miracles to happen.

When individual bankruptcy occurs, do not fear—the Federal Government will take over the mortgages, tell the courts to disregard the creditors, or assume the principal of the debt as the only "honorable" thing to do, and then we start all over again.

Of course, the man who lent the money or who bought the stock in a mortgage bank has something to think about, but that is about all he can do. The man who lent the money is largely someone who has thus invested small savings, simple people who seek to protect their old age by taking out insurance, investing in "rock-solid" mortgage-loan companies, or trustingly putting their money into savings banks.

Let us draw the curtain over this distressful scene, as Mark Twain once so descriptively said, as we drive the money changers out of the temple. While staging this dramatic act, secure in righteous moral virtue, we need not

stop the noble work to think of the selfishness of the small investor who constitutes the majority of stockholders in American corporations.

Presumably when their investments are gone they may engage in subsistence-farming homesteads on the bounty of the Government, or perhaps they may apply to the authorities for employment on made work. These are happy solutions. They will not feel they are getting something for nothing. They will feel glorified to have contributed to the upbuilding of a new order by performing useful work, by doing their share.

Planned economy, in short, possibly means that the people no longer need suffer from the mental worry of deciding what they will produce, whether it be hogs, or corn, steel, woven materials, cotton, or shoes. A beneficent Government in Washington has set up large offices of experts, administrators, deputy administrators, assistant experts, clerks, and typists, equipped with charts, adding machines, and slide rules, to decide these things for us all. They really mean business, too, for he who violates the code risks the penalty of heavy fines or jail sentences.

It is old-fashioned and reactionary to think the public is better off under a free economic system with industry elastically regulated under antitrust and other laws. The more abundant life can only be attained by compulsory labor unions, Government-fostered trusts, production restriction by edict, compulsory price-fixing, and new departmental rules coming out daily from a host of bureaus.

Business men who claim no affiliation whatever with Wall Street have said that the stock-exchange control bill sets up prying control over all business. They should beware! Their secret motive may be discovered. We are only just a pawn in a scheme of systematic propaganda engineered by the naughty men in Wall Street.

One of the wicked brokerage firms in New York took the pains of putting a large advertisement in a Washington paper, reprinting the Declaration of Independence, "because legislative and administrative tendencies in Washington suggest that too few of our elective representatives are familiar with the principles enunciated in the Declaration of Independence; and second, because it seemed truly to offer contradiction to the apparent "new deal" philosophy that engaging in business for a profit is unlawful; that criticism of administration policies is "lese majeste" and that all protests against intolerant legislation are motivated by greed and selfishness.

In accord with the rules of the New York Stock Exchange, its business-conduct committee had first to approve the advertisement. It might be interesting to look forward to a time when some Federal securities exchange committee could exercise its powers to protect the people by not permitting publication of such insidious propaganda.

THE THEORIES BEHIND THE POLICIES

If a government insists on introducing an extended series of extraordinary innovations touching every phase of the life of its citizens, but would not wish them to be subject to wide public discussion, then the only alternative would be to make its program so punitive as to squash and squelch by strict censorship and persecution all who dared to speak their thoughts.

We might even think, if we were not too reactionary, that the conscious molding of public opinion could be attempted to the extent of adopting repressive measures of censorship and intimidation. Other countries have done it: Spain during the Inquisition, Russia under the Czar and under the Bolshevists, Germany under Hitler, Italy under Mussolini, and many South American revolutionary governments. Why should it be unthinkable that it be applied to free-thinking and free-acting America in this new enlightened age?

We indeed must have courage to be so improper as to ask that we be informed fully on just what actions the administration is taking on these many measures that have just been passed by this Congress. Would it be presumptuous to ask whether specific administrative measures permitted under these acts are to be invoked because of abnormal conditions of emergency, or as part of a social and political reform program? In the latter case are we exceeding our prerogatives as legislators and citizens if we inquire just what that social and political reform program is in each specific case? Are we disloyal to expect a Democratic and elective government to explain novel experiments by giving reasons on which they are predicated and which have not yet been disclosed? Could we ask that the language of such explanation be not clouded with classroom ideology, that we not be answered with invective, or threatened tacitly or openly with cracking down on the questioner or the critic?

How foolhardy and misplaced courage was it for the editors of the Washington Herald to say:

> We trust we shall not be accused of prying with profane eyes into the recesses of policy. Such reverence for our governors can hardly be expected of Americans.

GROWTH OF GOVERNMENT BUREAUCRACY

No one need to presume to be a spokesman for the Democratic Party by expressing sympathy with the mental dilemmas and uncertainties which a great many Democrats are now undergoing. Has it not been a constant principle on the part of Democrats for years, nay generations, to fight against tendencies toward growth of Federal commissions, bureaus, control agencies, and meddling officeholders? In the face of the bewildering array of new alphabetical agencies established to carry out the extension of Federal powers over business, trade, and production, many Democrats wander around bewildered in search of lost traditions.

Having formed habits of thought from lifelong inculcations of Democratic opposition to the intrusion of government into private business, is it any wonder that many Democrats find themselves in a haze of bewildered wanderings in search of justification for the control established in new government powers in such an array as is laid before us? In the coming months will not the search for Democratic Party principles by those Democrats throughout the country who are not clairvoyant seers into transcendental political concepts become more and more confused in contemplation of what Congress and a Democratic administration have proposed, permitted, or actually carried out?

Perhaps we may list a few:

Stratification of industry under the N.R.A. controlling by sanctions and supervision limitation of production, setting of wages, and fixing of prices.

Divesting Congress of its constitutional authority to appropriate money and direct its use in the Public Works section of N.I.R.A.

Creation of two bureaus where but one existed before without reference to the civil-service rules, many of them directly competing with private enterprise.

Delegation to the Executive of the power of Congress "to coin money" and "to fix the value thereof" in the Thomas inflation amendment to the Agricultural Adjustment Act and the Gold Reserve Act.

Power to levy taxes and to make treaties without the advice and consent of the Senate in the Reciprocal Tariff Act.

Concentration of Federal authority over production and socialistic control of private enterprise in the Agricultural Adjustment Administration.

Placing an agricultural product under absolute political control in the Cotton Control Act.

Prohibiting any individual from holding gold under penalty of seizure and fine, in the Gold Reserve Act.

Establishment of a highly developed State capitalism in the Muscle Shoals Act in which the Government goes directly into the fertilizer business, holds power of expropriation of private investors' and insurance companies' capital in public utilities, and deprives investors of their rights to inventions.

Powers of a Government corporation to run all the business of the Virgin Islands.

Unrestricted power to spend given the Executive through the Civil Works Administration.

Government assumption of weak investments in which it can nationalize property and become an absentee landlord or factory owner, powers to impair moral validity of all contractual obligations, powers to confiscate savings and enter into State capitalism through one or another of the R.F.C., A.A.A., Emergency Farm Mortgage Act, Home Owners' Loan Act, Emergency Banking Act, and so forth.

Conferring wide powers on a Federal commission over internal management of American industry by the Securities Act and the Exchange Control Act.

Practically dictatorial authority over a key industry in the Emergency Railroad Transportation Act.

Potential rights of censorship of a vast means of transmitting news and exchanging opinion—the radio—in the Communications Control Act.

Powers of Government entry into real-estate-finance business, providing Federal insurance for building-and-loan associations, and lending money for home renovation and repair.

A law further intruding the Government into private banking by authorizing the Federal Reserve banks and the R.F.C. to lend money to industrial concerns.

Power of the Treasury to nationalize silver as part of our monetary system, with permissive right to alter the base of our currency.

Control of sugar production by which great industries in continental United States and in insular possessions may be subjected to administrative decree.

Relaxation of bankruptcy laws by which all creditors in farm bankruptcy may be swept aside, scrapping a long-established principle, and taking a long step toward cancelation of all obligations.

Would it be treasonable to quote an eminent Democrat, John W. Davis, once the party's choice for the Presidency, speaking this year of Government control and policies of the present administration?

Is it conceivable that American farmers or American citizens will submit to that sort of thing? Are they ready to support the army of Government agents, employees, inspectors, reporters, and spies that would be used to carry it on? Have they not enough of these already? Are they willing to bow their necks to the flood of rules, regulations, proclamations, and edicts that would be issued in order to fit their daily lives and conduct to the prescribed system * * *?

If there are to be orders, someone must give them. Without impugning the high purpose and integrity of the great majority of our public servants, are we so sure of their constant wisdom, their disinterestedness, their ability to resist temptation, their freedom from political influences that we are willing to trust them with unlimited power * * *?

Ever since the blow fell we have been looking for scapegoats and hoping for short cuts to recovery. I much doubt that we shall find either the one or the other. I do not look for miracles to save us, or hope for gold at the foot of the rainbow. I have more faith in the prosaic process of following paths marked out by reason, common sense, and the past experience of mankind.

Let not any of these words be taken as hostility to the President. His excessive labors deserve the highest admiration and help. Nor should they be taken as lacking in appreciation of the earnest endeavors of countless administration members who work night and day to the accomplishment of their tasks. All I wish humbly to suggest in conclusion is that the Government of the United States might wait until times are less critical before turning it into an intermediate training school for social theorists, and to postpone, or keep separate from the urgent practical necessities of the times, laboratory experiments that hold the dangers of blowing up the works at almost any moment.

TRAFFIC IN CONTAINERS OF DISTILLED SPIRITS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H.J.Res. 370) to protect the revenue by regulation of the traffic in containers of distilled spirits.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, what does this provide?

Mr. DOUGHTON. This is a bill that came from the Treasury Department with respect to better enforcement of the prohibition law and the collection of the internal-revenue tax on distilled spirits. The committee unanimously reported the resolution.

The Clerk read the title of the joint resolution.

Mr. CELLER. Mr. Speaker, reserving the right to object, I should like to have an explanation of the bill. May I ask the chairman if this applies to various dealers and manufacturers and prescribes penalties for violations of permits?

Mr. DOUGHTON. As I understand, the bill applies to containers and those who deal in illicit liquor and purchase standard brands of containers, including those that are labeled on the bottle, and then they deceive the purchaser and lead him to believe he is purchasing tax-paid liquor, when the fact of the matter is he is purchasing liquor on which the tax has not been paid.

Mr. JENKINS of Ohio. This is the bill that is called the "bottle bill"?

Mr. CELLER. Yes; but there is more than the bottle involved in this bill. The permits are involved; and as I read it very cursorily, this is going back to the obnoxious regulations we had during prohibition, and I think the matter ought to be considered more carefully.

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

Mr. DOUGHTON. I yield.

Mr. COOPER of Tennessee. This is a bill sent up by the Treasury Department and urgently requested as being necessary to protect the revenue of the Government.

Mr. CELLER. I know the Treasury Department, and I have great confidence in it, but the Treasury Department has been working hand in glove with the Federal Alcohol Control Administration; and my information, only as late as yesterday, is that Mr. Choate and his colleagues on the F.A.C.A. have devised a scheme——

Mr. RANKIN. Mr. Speaker, I ask for the regular order. It is now 6:30 o'clock, and I do not care to listen to a wet speech.

Mr. CELLER. I am not making a wet speech.

Mr. RANKIN. The gentleman is not giving any information or asking for it.

Mr. CELLER. I object.

TO AMEND SETTLEMENT OF WAR CLAIMS ACT OF 1928

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 365, to amend the Settlement of War Claims Act of 1928, as amended.

The Clerk read the bill, as follows:

Whereas the joint resolution of the Congress of the United States, approved July 2, 1921, provides in part as follows:

"SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals, which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, * * * shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government * * * shall have * * * made suitable provision for the satisfaction of all claims against said [Government] * * *, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered, through the acts of the Imperial German Government, or its agents * * * since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, * * *, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise * * *."

Whereas the treaty between the United States and Germany of August 25, 1921, incorporated said provision of such joint resolution and also provided in article I thereof as follows:

"Germany undertakes to accord to the United States and the United States shall have and enjoy, all the rights, privileges, indemnities, reparations, or advantages specified in the aforesaid joint resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the Treaty of Versailles which the United States shall fully enjoy notwithstanding the fact that such treaty has not been ratified by the United States."; and

Whereas by the agreement of August 10, 1922, between Germany and the United States, a Mixed Claims Commission was estab-

lished to adjudicate claims of American nationals against Germany arising out of the World War; and

Whereas under the terms of the debt-funding agreement between Germany and the United States dated June 23, 1930, Germany agreed to pay to the United States in satisfaction of Germany's obligations remaining on account of awards, including interest thereon, entered and to be entered by the Mixed Claims Commission, United States and Germany, the sum of 40,800,000 reichsmarks for the period September 1, 1929, to March 31, 1930, and the sum of 40,800,000 reichsmarks per annum from April 1, 1930, to March 31, 1981; and

Whereas Germany is now in arrears in payments due under said debt-funding agreement between Germany and the United States, and has, accordingly, failed to make suitable provision for the satisfaction of the said claims against Germany: Now, therefore, be it

Resolved, etc., That so long as Germany is in arrears in any payments of principal or interest, including interest at the rate of 5 percent per annum on principal installments not paid when due, under the debt-funding agreement between Germany and the United States, dated June 23, 1930, with respect to Germany's obligations remaining on account of awards, including interest thereon, entered and to be entered by the Mixed Claims Commission, United States and Germany, any or all payments, conveyances, transfers, or deliveries of money or property or the income, issues, profits, and/or avails thereof authorized or directed to be made under the Trading with the Enemy Act, as amended, or the Settlement of War Claims Act of 1928, as amended, whether or not a judgment or decree has been entered with respect thereto, shall be postponed and the money or property, or the income, issues, profits, and/or avails thereof reserved: *Provided, however*, That such of the funds as are from time to time available (without taking into consideration interest thereafter accruing) under the Settlement of War Claims Act of 1928, as amended, for the payment of principal and interest upon awards of said Mixed Claims Commission shall be applied when available to the payment of principal and interest upon such awards in the same manner and to the same extent as though certain of the payments provided for in said act had not been postponed under this resolution: *Provided further*, That the President may, in his sole discretion, remove the restriction as to any of the cases or classes of cases in relation to which payments, conveyances, transfers, or deliveries have been postponed: *And provided further*, That the action of the President in determining the period or periods in which Germany is in arrears in the payments hereinbefore described shall not be subject to judicial review.

With the following committee amendments:

Page 4, line 14, after the word "postpone", insert the words "under this resolution: *And provided further*."

On page 4, line 15, after the word "that", strike out the words "the action of the President in determining the period or periods in which Germany is in arrears in the payment hereinbefore described shall not be subject to judicial review" and insert the following: "The President is authorized to determine for the purpose of this resolution the period or periods in which Germany is in arrears in the payment hereinbefore described and in the determination thereof shall not be subject to judicial review."

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Reserving the right to object, I want to ask the gentleman if this is a unanimous report from the Ways and Means Committee?

Mr. COOPER of Tennessee. This is one bill I feel confident that there would not be a voice in the entire House raised against its passage. It comes with a unanimous report from the Committee on Ways and Means. In a word, it means that out of the funds held in the Treasury Department for claims for the people of Germany shall be held until they make proper provision for the payment of claims to American nationals.

Mr. JENKINS of Ohio. Mr. Speaker, I withdraw my reservation of objection.

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, and a motion to reconsider was laid on the table.

BRIDGE AT PORT ARTHUR, TEX.

Mr. DIES. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H.R. 9526, with Senate amendments, to authorize the city of Port Arthur to construct and maintain a bridge, and concur in the Senate amendments.

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object. Has that bill been on the Consent Calendar, and has it been objected to?

Mr. DIES. No; the bill passed the House and went to the Senate and the Senate amended it.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 1, lines 5 and 6, strike out "any commission designated by it" and insert "the Port Arthur Bridge Commission (hereinafter called the 'commission') hereby created."

Page 1, line 6, strike out "and assigns."

Page 2, lines 7 and 8, strike out "any commission designated by it, and its successors and assigns" and insert "the commission hereby created and its successors."

Page 2, lines 20 and 21, strike out "any commission designated by it, and its successors and assigns" and insert "the commission hereby created and its successors."

Page 3, after line 20, insert:

"SEC. 5. There is hereby created a body corporate and politic to be known as the 'Port Arthur Bridge Commission', which shall consist of five members approved by the mayor of Port Arthur subject to the approval of a majority of the city commission."

Page 3, after line 20, insert:

"SEC. 6. The commission shall consist of five members appointed by the mayor of Port Arthur, and shall be a body politic and corporate constituting a public-benefit corporation and shall be deemed a public body within the meaning of the National Industrial Recovery Act. The commission shall elect a chairman from its members and may establish rules and regulations for the government of its own business. Each member shall serve for a term of 5 years and until his successor has been appointed and has qualified, except that the initial terms of the members shall be respectively 1, 2, 3, 4, and 5 years. The initial term of the member elected chairman shall be 5 years, and the commission shall determine by lot the initial terms of the other members. The mayor of Port Arthur, with the approval of a majority of the city commission, may appoint a successor to hold office for the unexpired term of any member in whose office a vacancy shall occur by death, resignation, or otherwise. Each member shall qualify by giving such bond as may be fixed by the governing body of the city of Port Arthur conditioned for the faithful performance of all duties required by this act. Three members shall constitute a quorum for the transaction of business. No member shall receive a salary for his services as member, but each member shall be paid his actual expenses not exceeding $5 per day in the performance of his duties hereunder. Members of the commission may be removed for cause by the mayor of Port Arthur and the majority of the city commission. The commission may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees as it may deem necessary, who shall be entitled to receive such compensation as the commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act."

Page 3, after line 20, insert:

"SEC. 7. The commission shall have all the powers and authority necessary or convenient for the carrying out of the purposes of this act, including (but without limitation) the following rights, powers, and authority:

"(a) To have perpetual succession as a corporation;

"(b) To sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity;

"(c) To adopt, use, and alter a corporate seal;

"(d) To acquire, purchase, hold, use, lease, mortgage, sell, transfer, and dispose of any property, real, personal, or mixed, tangible or intangible, or any interest therein;

"(e) To make bylaws for the management and regulation of its affairs;

"(f) To appoint officers, agents, employees, and servants, to prescribe their duties and to fix their compensation;

"(g) To fix, alter, charge, and collect tolls and other charges and other evidences of indebtedness of the commission, and to

"(h) To borrow money, make and issue negotiable notes, bonds, and other evidences of indebtedness of the commission, and to secure the payment of such obligations or any thereof by mortgage, lien, pledge, or deed of trust upon all or any of the property of the commission, and to make agreements with the purchasers or holders of such obligations, or with others in connection with any such obligations, issued or to be issued, as the commission shall deem advisable, and in general to provide for the security for said obligations and the rights of the holders thereof;

"(i) To make contracts of every kind and nature and to execute all instruments necessary or convenient for the carrying on of its affairs; and

"(j) Without limitation of the foregoing, to borrow money from the United States Government or any corporation or agency created, designated, or established by the United States and to enter into contracts with the United States or such corporation or agency."

Page 3, after line 20, insert:

"SEC. 8. Without limiting any powers anywhere in this act granted to the commission, the commission is hereby authorized to provide for the payment of the cost of the bridge and its ap-

proaches and the necessary land, easements, and appurtenances thereto by an issue or issues of negotiable bonds of the commission and to secure the payment of all or any such bonds by mortgage, lien, pledge, or deed of trust upon all or any of its property. Said bonds shall be authorized by resolution of the commission and shall bear such date or dates, be in such forms and contain such provisions as the commission may determine and as may be provided in such resolution or in the mortgage or deed of trust or other instrument securing said bonds. Any resolution or resolutions authorizing such bonds may contain provisions, which shall be part of the contract with the holders of such bonds, as to (a) the rates of tolls and other charges to be charged by the commission for transit over or use of the bridge, (b) the registration of the bonds as to principal only or as to principal and interest, and the interchangeability and exchangeability of such bonds, (c) the issuance of temporary bonds or interim receipts pending the preparation of definitive bonds, and the terms and provisions of such temporary bonds or interim receipts, (d) the redemption of the bonds, and the price or prices, not exceeding 105 and accrued interest, at which they shall be redeemable, (e) the setting aside of reserves or sinking funds and the regulation and disposition thereof, (f) limitations upon the issuance of additional bonds, (g) the terms and provisions of any mortgage, deed of trust, or other instrument under which the bonds may be issued or by which they may be secured, and (h) any other or additional agreement, with the holders of such bonds. The bonds shall be signed by such officers as the commission shall determine, and coupon bonds shall have attached thereto interest coupons bearing the facsimile signature of the treasurer or other corresponding officer of the commission. Any such bonds may be issued and delivered, notwithstanding the fact that one or more of the officers signing such bonds, or the treasurer or corresponding officer whose facsimile signature shall be upon the coupons or any thereof, shall have ceased to be such officer or officers at the time when such bonds shall actually be delivered.

"The commission may enter into any mortgages, deeds of trust, indentures, or other agreements with any bank or trust company or other person or persons in the United States having power to enter into the same, including the United States Government or any corporation or agency designated or created by it, as security for the bonds, and may transfer, convey, mortgage, or pledge all or any of the property of the commission thereunder. Such mortgage, deed of trust, indenture, or other agreement may contain such provisions as may be customary in such instruments or as the commission may authorize, including (but without limitation) provisions as to (a) the terms and provisions of the bonds or the resolution providing for the issuance of the same, (b) the construction, operation, maintenance, repair, and insurance of the properties of the commission and the duties of the commission with reference thereto, (c) the application of funds and the safeguarding of funds on hand or on deposit, (d) the rights and remedies of such trustee and the holders of the bonds (which may include restrictions upon the individual right of action of bondholders), and (e) possession of the properties covered by such mortgage, deed of trust, indenture, or other agreement.

"The bonds of the commission may be sold in such manner, at such time or times, but no such price or prices as the commission may determine, but no such sale shall be made at a price which would make the interest cost to maturity on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, exceed 6 percent per annum. The cost of the bridge shall be deemed to include interest during construction of the bridge, and for not exceeding 12 months thereafter, and all engineering, legal (architectural, traffic-surveying, and other expenses incident to the construction of the bridge and the acquisition of the necessary property, and incident to the financing thereof, including the cost of acquiring existing franchises, rights, plans, and works of and relating to the bridge, now owned by any person, firm, or corporation, and the cost of purchasing all or any part of the shares of stock of any such corporate owner if, in the judgment of the commission, such purchases should be found expedient. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided."

Page 3, after line 20, insert:

"SEC. 9. After payment of the bonds and interest and discharge of any other obligations of the commission, or after a sinking fund sufficient for such payment and discharge shall have been provided and shall be held for that purpose, the commission shall be authorized to deliver deeds or other suitable instruments of conveyance of the interest of the commission in and to the bridge, that part within the State of Texas to the State of Texas or any municipality thereof or any agency of said State or any such municipality as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the 'Texas interests') and that part within the State of Louisiana to the State of Louisiana or to any municipality thereof or any agency of said State or any such municipality as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the 'Louisiana interests'), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, insured, and repaired by the Texas interests and the Louisiana interests, as may be agreed upon; but if either the Texas interests or the Louisiana interests shall not be authorized to accept or shall not accept the same under such conditions, the commission may transfer the bridge to either of said interests which shall so accept the same, and if neither interest shall so accept the same, then the bridge shall continue to be owned, maintained, operated, insured, and repaired by the commission, and the rates of tolls shall be so adjusted as to provide a fund not to exceed the amount necessary for the proper maintenance, repair, insurance, and operation of the bridge and its approaches under economical management, including reasonable reserves, until such time as the Texas interests or the Louisiana interests, or both, shall be authorized to accept and shall accept such conveyance under the conditions aforesaid."

Page 3, after line 20, insert:

"SEC. 10. Nothing herein contained shall be construed to authorize or permit the commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided by this act. No obligation created or liability incurred pursuant to this act shall be an obligation or liability of any member or members of the commission, but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States."

Page 3, after line 20, insert:

"SEC. 11. All provisions of this act may be enforced, or the violation thereof prevented, by mandamus, injunction, or other appropriate remedy brought by the attorney general for the State of Texas, or by the attorney general for the State of Louisiana, or by the United States district attorney for the district in which the bridge may be located, in part, in any court having competent jurisdiction of the subject matter and of the parties."

Page 3, line 21, strike out "5" and insert "12."

Amend the title so as to read: "An act authorizing the city of Port Arthur, Tex., or the commission hereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex."

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were concurred in; and a motion to reconsider the vote by which the Senate amendments were concurred in was laid on the table.

LOANS MADE TO RECEIVERS OF CLOSED BANKS

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9904) to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That section 5 of Public Act No. 2 of the Seventy-second Congress, as amended, be amended by adding the following sentence at the end of the second paragraph: "The limitation herein contained shall not apply to loans made to the receivers or other liquidating agents of closed banks, when made for the purpose of liquidation or reorganization."

With the following amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That section 5 of Public Act No. 2, of the Seventy-second Congress, as amended, be amended by striking out the period at the end of the second paragraph thereof and inserting in lieu thereof a colon, and the following: '*Provided*, That such limitations shall not apply to advances to receivers or other liquidating agents of closed banks when made for the purpose of liquidation or of reorganization.'"

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

Mr. SNELL. Mr. Speaker, the gentleman spoke to me about this bill, and from what he said I thought there was nothing to object to. I should like to have an explanation of the bill before it goes through by unanimous consent.

Mr. BROWN of Michigan. The Committee on Banking and Currency unanimously reported out the bill.

Mr. SNELL. Is this the bill that the gentleman from Massachusetts [Mr. LUCE] spoke about?

Mr. BROWN of Michigan. Yes.

Mr. SNELL. Then I guess it is all right.

Mr. BROWN of Michigan. This has been approved by the ranking minority member of the Committee on Banking and Currency and by the chairman of that committee.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TRADING WITH THE ENEMY ACT

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill, S. 852, to amend the Trading With the Enemy Act.

The SPEAKER. The gentleman from New York asks unanimous consent for the present consideration of the bill S. 852, which the Clerk will report.

The Clerk read the bill.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I object. This bill is too involved to consider at this time.

PUBLIC GRAZING LANDS

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6462) to stop injury to the public grazing lands, by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Strike out all after the enacting clause down to and including "thereof", page 2, line 4, and insert "That in order to promote the highest use of the public lands pending its final disposal, the Secretary of the Interior is authorized, in his discretion, by order to establish grazing districts or additions thereto and/or to modify the boundaries thereof, not exceeding in the aggregate an area of 80 million acres of vacant, unappropriated, and unreserved lands from any part of the public domain of the United States (exclusive of Alaska), which are not in national forests, national parks and monuments, Indian reservations, revested Oregon & California Railroad grant lands, or revested Coos Bay Wagon Road grant lands, and which within his opinion are chiefly valuable for grazing and raising forage crops."

Page 2, line 7, strike out all after "thereof." down to and including "not" in line 9 and insert "Nothing in this act shall be construed in any way to diminish, restrict, or impair any right which has been heretofore or may be hereafter initiated under existing law, and which is maintained pursuant to law except as otherwise expressly provided in this act, nor to."

Page 2, line 11, after "State" insert ", nor as limiting or restricting the power or authority of any State as to matters within its jurisdiction. Whenever any grazing district is established pursuant to this act, the Secretary shall grant to owners of land adjacent to such district, upon application of any such owner, such rights-of-way over the lands included in such district for stock-driving purposes as may be necessary for the convenient access by any such owner to marketing facilities or to lands not within such district owned by such person or upon which such person has stock-grazing rights."

Page 2, line 18, after "471)," insert "as amended,".

Page 2, line 21, after "specify." insert "Before grazing districts are created in any State as herein provided, a hearing shall be held in the State, after public notice thereof shall have been given, at such location convenient for the attendance of State officials, and the settlers, residents, and livestock owners of the vicinity, as may be determined by the Secretary of the Interior. No such district shall be established until the expiration of 90 days after such notice shall have been given, nor until 20 days after such hearing shall be held: *Provided, however,* That the publication of such notice shall have the effect of withdrawing all public lands within the exterior boundary of such proposed grazing districts from all forms of entry of settlement. Nothing in this act shall be construed as in any way altering or restricting the right to hunt or fish within a grazing district in accordance with the laws of the United States or of any State, or as vesting in any permittee any right whatsoever to interfere with hunting or fishing within a grazing district."

Page 3, line 8, strike out all after "range" down to and including "lands" in line 9.

Page 3, line 14, after "any" insert "willful."

Page 3, line 15, after "or" insert "of."

Page 3, lines 15 and 16, after "thereunder", insert "after actual notice thereof."

Page 3, line 16, strike out all after "$500" down to and including "court" in line 18.

Page 3, line 25, and page 4, line 1, strike out "under his authority."

Page 4, line 4, strike out all after "and" down to and including "for" in line 10 and insert "to groups, associations, or corporations authorized to conduct business under the laws of the State in which the grazing district is located. Preference shall be given in the issuance of grazing permits to those within or near a district who are landowners engaged in the livestock business, bona fide occupants or settlers, or owners of water or water rights, as may be necessary to permit the proper use of lands, water or water rights owned, occupied, or leased by them, except that until July 1, 1935, no preference shall be given in the issuance of such permits to any such owner, occupant, or settler, whose rights were acquired between January 1, 1934, and December 31, 1934, both dates inclusive, except that no renewal of any such permit shall be denied, if such denial will impair the value of the livestock unit of the permittee, if such unit is pledged as security for any bona fide loan. Such permits shall be for."

Page 4, line 21, strike out all after "exists:" down to and including "safeguarded", page 5, line 4, and insert "*Provided further,* That nothing in this act shall be construed or administered in any way to diminish or impair any right to the possession and use of water for mining, agriculture, manufacturing, or other purposes which has heretofore vested or accrued under existing law or which may be hereafter initiated or acquired and maintained in accordance with law. So far as consistent with the purposes and provisions of this act, grazing privileges recognized and acknowledged shall be adequately safeguarded, but the creation of a grazing district or the issuance of a permit pursuant to the provisions of this act shall not create any right, title, interest, or estate in or to the lands."

Page 5, line 10, after "approve.", insert "Permittees shall be required by the Secretary of the Interior to comply with the provisions of law of the State within which the grazing district is located with respect to the cost and maintenance of partition fences."

Page 5, lines 13 and 14, strike out all after "occupant" down to and including "shall", in line 16, and insert "the reasonable value of such improvements to."

Page 5, line 20, strike out "may" and insert "shall."

Page 6, line 5, after "the", insert "acquisition,".

Page 6, line 6, after "rights-of-way", insert "within grazing districts."

Page 6, line 8, strike out "nor" and insert "and."

Page 6, line 9, after "developing,", insert "mining,".

Page 6, line 10, strike out "valuable."

Page 6, line 24, after "*Provided,*", insert "That upon the application of any person qualified to make homestead entry under the public-land laws, filed in the land office of the proper district, the Secretary of the Interior shall cause any tract not exceeding 320 acres in any grazing district to be classified, and such application shall entitle the applicant to a preference right to enter such lands when opened to entry as herein provided."

Page 6, strike out all of line 25 and down to and including "section", in line 4, page 7.

Page 7, line 7, strike out "be, and he hereby is, authorized, in his discretion," and insert "is authorized and directed."

Page 7, lines 10 and 11, strike out "hereby authorized, in his discretion," and insert "authorized and directed."

Page 7, line 12, after "any", insert "privately owned."

Page 7, line 13, strike out "district" and insert "district,".

Page 7, line 14, after "of" where it occurs the first time, insert "surveyed."

Page 7, line 15, after "State", insert "or within a distance of not more than 50 miles within the adjoining State nearest the base lands."

Page 7, line 18, after "published", insert "by the Secretary of the Interior."

Page 8, line 19, after "thereon.", insert "Upon application of any State to exchange lands within or without the boundary of a grazing district the Secretary of the Interior is authorized and directed, in the manner provided for the exchange of privately owned lands in this section, to proceed with such exchange at the earliest practicable date and to cooperate fully with the State to that end, but no State shall be permitted to select lieu lands in another State."

Page 8, line 22, after "stockmen", insert ", State land officials, and official State agencies engaged in conservation or propagation of wild life."

Page 8, line 23, strike out all after "districts" down to and including "minorities", page 9, line 1.

Page 9, line 3, after "for", insert "local hearings on."

Page 9, line 3, strike out "decision" and insert "decisions."

Page 9, line 4, after "charge", insert "in a manner similar to the procedure in the land department."

Page 9, line 19, after "available", insert ", when appropriated by the Congress."

Page 9, line 21, strike out "an additional."

Page 10, line 5, strike out all after "therein" down to and including "Congress.", in line 7.

Page 10, line 24, strike out "agreements, the" and insert "agreements. The."

Page 11, line 8, strike out all after "interest" down to and including "met", in line 13, and insert "interest."

Page 11, line 22, strike out all after "United States" down to and including "hereby" in line 25, and insert "is."

Page 12, line 1, after "administration", insert "in any State where national forests may be created or enlarged by Executive order."

Page 12, line 17, after "act.", insert "Nothing in this section shall be construed so as to limit the powers of the President (relating to reorganizations in the executive departments) granted by title 4 of the act entitled 'An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes', approved March 3, 1933."

Page 12, after line 17, insert:

"SEC. 14. That section 2455 of the Revised Statutes, as amended, is amended to read as follows:

"'SEC. 2455. Notwithstanding the provisions of section 2357 of the Revised Statutes (U.S.C., title 43, sec. 678) and of the act of August 30, 1890 (26 Stat. 391), it shall be lawful for the Secretary of the Interior to order into market and sell at public auction, at the land office of the district in which the land is situated, for not less than the appraised value, any isolated or disconnected tract or parcel of the public domain not exceeding 760 acres, which, in his judgment, it would be proper to expose for sale after at least 30 days' notice by the land office of the district in which such land may be situated: *Provided*, That for a period of not less than 30 days after the highest bid has been received, any owner or owners of contiguous land shall have a preference right to buy the offered lands at such highest bid price, and where two or more persons apply to exercise such preference right the Secretary of the Interior is authorized to make an equitable division of the land among such applicants, but in no case shall the adjacent land owner or owners be required to pay more than three times the appraised price: *Provided further*, That any legal subdivisions of the public land, not exceeding 160 acres, the greater part of which is mountainous or too rough for cultivation, may, in the discretion of the said Secretary, be ordered into the market and sold pursuant to this section upon the application of any person who owns land or holds a valid entry of lands adjoining such tract, regardless of the fact that such tract may not be isolated or disconnected within the meaning of this section: *Provided further*, That this section shall not defeat any valid right which has already attached under any pending entry or location. The word "person" in this section shall be deemed to include corporations, partnerships, and associations.'"

Page 12, after line 17, insert:

"SEC. 15. The Secretary of the Interior is further authorized in his discretion, where vacant, unappropriated, and unreserved lands of the public domain are situated in such isolated or disconnected tracts of 640 acres or more as not to justify their inclusion in any grazing district to be established pursuant to this act, to lease any such lands to owners of lands contiguous thereto for grazing purposes, upon application therefor by any such owner, and upon such terms and conditions as the Secretary may prescribe."

Page 12, after line 17, insert:

"SEC. 16. Nothing in this act shall be construed as restricting the respective States from enforcing any and all statutes enacted for police regulation, nor shall the police power of the respective States be, by this act, impaired or restricted, and all laws heretofore enacted by the respective States or any thereof, or that may hereafter be enacted as regards public health or public welfare, shall at all times be in full force and effect."

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

There was no objection.

The SPEAKER. The question is on concurring in the Senate amendments.

The Senate amendments were concurred in.

PROCTORS' AND MARSHALS' FEES AND BONDS

Mr. KENNEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill, H.R. 9091, to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty.

Mr. SNELL. Mr. Speaker, I reserve the right to object. I do not think we ought to bring up legislation like that at this hour.

Mr. KENNEY. That is a bill in which the bar associations of the country are interested.

Mr. SNELL. But I am not going to allow legislation to come up at this late hour which I am not familiar with. If I knew the bills, I would not object.

Mr. KENNEY. Will the gentleman reserve his objection?

Mr. SNELL. I will.

Mr. KENNEY. This bill came up the other day and was passed over without prejudice. It was explained to the House. The gentleman from Ohio was the only Member who asked for it to go over, and since then he has withdrawn any objection that he may have thought he had at that time.

This is a bill to reduce the cost of litigation. Today we have a situation where a vessel or other property is libeled and you are required to put up a bond in twice the amount. This reduces it to the amount of the claim——

Mr. SNELL. Now, who is here who knows about that bill? Some member of the Committee on the Judiciary?

Mr. KENNEY. Yes. It is reported favorably by the Committee on the Judiciary. As I understand, the bar associations would like to get it passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. KENNEY]?

Mr. BLANCHARD. Mr. Speaker, I object.

Mr. SNELL. Mr. Speaker, I am going to make a point of no quorum, if we are going to continue this kind of legislation at this late hour of night.

The SPEAKER. Will the gentleman withhold his point of order for a moment?

Mr. SNELL. Yes; I will withhold it temporarily.

EXTENSION OF REMARKS

Mr. GUYER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point on the bill H.R. 7997.

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

There was no objection.

Mr. GUYER. Mr. Speaker, the unfavorable economic conditions now prevailing have produced a crisis in the affairs of a large number of colleges and universities not supported by taxation, institutions which depend upon the generosity of individuals and organizations moved by impulses of public welfare or scientific research. Into these institutions of learning have been poured the lives and money of self-sacrificing men and women ever since the beginning of civilized life on this continent. These institutions have lifted from the shoulders of the American taxpayer over half of the cost of higher education in this country. To these institutions this Nation owes an incalculable debt of gratitude for the superlative training of mind and crystallization of character which has been for years and is today the product of the unselfish devotion to the ideals of life and character which prevails in these colleges and universities.

At least 50 percent of the Membership of this House remembers with deathless gratitude the contribution of one of these colleges or universities to his exalted ideals, his character, and his success. There, where all our ambitions were cradled. There, where some great and beloved teacher flung the benediction of his shadow across the pavement of our lives. There, where, amid incomparable moral environment, habits of right thinking and right acting were indelibly impressed upon plastic mind and soul. The fact that many of us are here is evidence of our everlasting obligation to some one of these institutions now staggering under a load of debt not due to extravagance nor lack of intelligent and efficient administration, but to the economic conditions which alike have dragged down industry and private enterprise.

Teachers never adequately paid for their unselfish devotion to their work have had to suffer reductions in even the diminutive pittance formerly allowed in order to keep alive the torch of learning in these institutions. In the memory of every one of us who is an alumnus or alumna of one of these colleges is the recollection of some heroic teacher who, in his devotion to duty, has, figuratively at least, taken the vow of poverty and raveled out his life like a prodigal spendthrift in an unselfish devotion to humanity. His reward endures in the love and gratitude of those whose lives have been enriched by his immolation on the altar of duty. This Nation probably will never properly appreciate the debt it owes to these colleges, but it may, if Congress so decrees, help to perpetuate these institutions without in the end suffering any financial loss.

I have introduced in this Congress H.R. 7977, which seeks to amend the Reconstruction Finance Corporation Act so that this great governmental organization may be authorized to do for private colleges and universities what it has so constructively been doing directly for self-liquidating public enterprises such as bridges, waterworks, and like undertakings, and indirectly for private and corporate institutions which furnish material, and labor which does the work. While these institutions are financially embarrassed at present by reason of reduced income, it does not follow that they are without valuable properties and vast endowments.

Thousands of philanthropists of wealth have poured out their money like water into the treasuries of these colleges and universities, and other hard-working, self-sacrificing thousands have denied themselves many of the pleasures

and luxuries of life that they might make investments here that would live and bear fruit long after their humble names were forgotten. These institutions are not only rich in the sacrifices of myriads whose benevolences have blessed them, but in the finely husbanded resources accumulated in the progress of the years.

For the information of the House I insert here a comparison of the physical assets of these institutions with those of the public, tax-supported institutions:

	Public institutions (State controlled, tax supported)	Private institutions (nontax supported)
Buildings and grounds	$470,000,000	$1,000,000,000
Productive funds	122,000,000	1,225,000,000

This comparison demonstrates the fact that these institutions, though pressed desperately to keep up their very valuable and necessary work, are able to give ample security for loans which the Government, through the Reconstruction Finance Corporation could extend.

There are several distinct causes for the crisis which has overtaken these colleges:

First. Assets which heretofore have produced revenue have become unproductive, such as farm mortgages, the favorite investment for endowments.

Second. A large group of generous and regular contributors can now only respond with sympathetic letters of regret.

Third. Students fighting a losing battle at home with poverty and unemployment are unable to pay tuition and must be carried by the college.

These conditions have forced boards of trustees to reduce the salaries of teachers from 15 to 35 percent, and then these teachers are forced to wait months for their pay checks. Even in the old pioneer days of such educational institutions there were no more heroic sacrifices than are experienced by the devoted instructors of this present emergency.

The work of these colleges and universities is highly creative and constructive. A brief survey of the occupation or vocation followed by the alumni and alumnae of these colleges shows that a great preponderance enters the profession of the teacher. The teacher is the master builder. He molds and shapes the plastic mind and character of those entrusted to his care with more enduring results than anyone else with the possible exception of the mother. I have selected a few colleges where an analysis of the vocations followed by graduates shows the tendency to gravitate to the profession of teaching:

	Teaching	Medicine	Law
Huron College, Huron, S.Dak	202	14	9
Centre College, Danville, Ky	205	71	124
Coe College, Cedar Rapids, Iowa	650	67	35
Grove City College, Grove City, Pa	700		
Hamilton College, Clinton, N.Y	676	200	802
Hanover College, Hanover, Ind	437	85	144
College of Wooster, Wooster, Ohio	1,701	581	
James Millikin University, Decatur, Ill	225	7	12

These records from scattered colleges illustrate the preponderance of teachers as compared to those trained for other of the so-called "learned professions."

Most of the private colleges are owned and governed by churches, though not all of them. Their supreme object is to form and fix character along with instruction in science and art. I think we can readily agree that there was never a time in the history of this country when it needed more than it needs now the ballast of crystallized character and integrity of manhood and womanhood.

The psychology and the aftermath of the World War have profoundly influenced the moral life of this country as they have of the whole world. We do not admit that our condition is like that of continental Europe where moral and social standards have been revolutionized completely. Europeans tell us we are just as bad as they are, only not equally frank. In this they are mistaken for we who know our America at the grass roots know that the great mass of Americans still love virtue and respect decency as a rule of life.

A writer of wide fame and of undoubted information tells us that, by reason of economic conditions coupled with the sort of moral vacation that obtained in one country of continental Europe during the World War, marriages in the first half of 1931 showed a decrease of 70,000 from what would have been the normal figure. The same period showed a decrease in births of 45,000 compared with the same period in 1930. Young men and girls live together outside of wedlock without in the least losing social caste or business standing. He intimates that like conditions prevail in a preponderant proportion of continental Europe. We are all familiar with conditions in Soviet Russia. We know that no such modification of morals has taken place in this country and we covet no such condition. But we cannot deny that there has been a subtle change in the attitude of our people toward matters involving morals. Topics of conversation once whispered in the sacred precincts of the ancient and honorable but now extinct livery stable, the pool hall and the barnyard, and which refinement once banished and gentle breeding once rebuked, are now not only tolerated but invited at the dinner table and in the drawing room.

What shall I say of our art? Of our music? Of our drama, if we possess anything worthy of the name? Of our literature? These things of the spirit should reflect our national life. Although our people are starved for good music, our music as we hear it on the radio and most other places is largely a jangling nightmare of jazz. Art? Do you recall a painting of the past decade which has captured the gaze of the public eye with its beauty or thought? With the exception of Borglum's creations at Stone Mountain and Mount Rushmore, which rival the massive and majestic grandeur of ancient Egypt, our art for a quarter of a century has produced nothing worthy of serious notice.

Literature? Books? One is inclined to resort to the veil of charity here. There is no end of books, but what about their quality and the moral tendency they provoke? I have in mind two books that will serve as examples of the great mass of current popular literature. One was written by a man and the other by a woman. Both were very widely read. Both were best sellers. The former, critics declare, is one of the great books of recent years, yet it contains descriptions of what was once considered unprintable outside the limits of purely pornographic literature. It was a best seller in the most respectable communities. The latter was very highly praised by the critics, but was so vile that a reputed heathen nation protested parts of it pertaining to the country involved. It, too, was a best seller. I do not intend to declare that this is the rule with all of our current books, nor intimate that to be read a book must be risque. I am merely calling attention to some best sellers which should indicate the public taste.

The cinema or movie? The so-called "silver screen"? Sensuality enthroned! Sex deified! Vice lionized! We should not blame too much the picture industry. Its business is to give the public what the public wants. The product of that industry is like a stream that reflects very accurately the demands of the movie-picture public. We must not blame the stream if, when we gaze upon its surface, it reflects a picture of diabolism and lechery. Art, music, drama, and literature form the mirror in which we can read the life and soul of a people. At times these become distorted by temporary tides of emotion and are soon normally adjusted and we get back to sanity and our old-time good taste and a sense of the eternal fitness of things.

I know of no better agent to care for such a situation than these colleges where character is at a premium and where high ideals obtain. I know of no better antidote for our seeming retrograde movement since the World War than these colleges which today, in many cases, are in danger of collapse. This is no reflection on our fine State universities, though it would seem that some of our great eastern institu-

tions were sometimes the rendezvous of inimical propaganda and subversive instruction.

In conclusion, I want to add that I can think of no finer investment which promises safer security than these colleges which have been one unmixed benediction to this great country from its infancy to its ripe maturity.

JENNIE BRUCE GALLAHAN—VETO MESSAGE FROM THE PRESIDENT (H.DOC. NO. 401)

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

I return herewith without my approval H.R. 2035, entitled "An act for the relief of Jennie Bruce Gallahan."

This act would authorize and direct the Secretary of the Treasury to pay to the said Jennie Bruce Gallahan, from the Federal Treasury, the sum of $5,000 as compensation for the death of her husband, Samuel L. Gallahan, late lieutenant of the District of Columbia Fire Department, while engaged in the performance of his official duties.

I am advised that Mrs. Gallahan is now receiving from the Policemen and Firemen's Relief Fund of the District of Columbia the maximum pension of $60 per month for her personal use and $10 per month for a child under the age of 16 years. This fund was created for the express purpose of affording relief to dependent widows and children of policemen and firemen who unfortunately suffer death in the performance of their official duties. In reporting upon this bill the Board of Commissioners of the District of Columbia made the following statement, with which I concur:

The Commissioners regret that it is necessary for them to oppose the passage of this bill. Its enactment into law would create a very bad precedent and there would be a flood of requests for special legislation of like character in every instance where death or injury to policemen or firemen occurred in line of duty. The pension system was created to cover the cases of the death or injury of policemen and firemen, and Mrs. Gallahan is receiving the maximum sum permitted under the law.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 13, 1934.*

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. BLACK. Mr. Speaker, I move that the President's veto message be referred to the Committee on the District of Columbia and ordered printed.

The motion was agreed to.

RICHARD A. CHAVIS—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H.DOC. NO. 402)

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

I return herewith without my approval H.R. 2032, "An act for the relief of Richard A. Chavis."

This bill provides that in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Richard A. Chavis, who served as a member of Company L, Second South Carolina Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from said service on the 19th day of April 1899: *Provided*, That no pension, pay, or bounty shall be held to have accrued by reason of the enactment of this act: *Provided further*, That the rights, privileges, and benefits conferred upon Richard A. Chavis by reason of the enactment of this act shall be limited to admission to a soldiers' home under the regulations governing such admission: *And provided further*, That he shall be entitled to such medical care as is usually accorded inmates of such home while resident therein.

The official records of the War Department, as set forth in the House committee report on this bill, No. 136, show that Chavis was a deserter, was apprehended, tried by a summary court, and sentenced for desertion; that his service was not honest and faithful and that he was discharged without honor.

I am advised by the Administrator of Veterans' Affairs that if this bill should be approved, the present regulations of the Veterans' Administration will not permit the extension of domiciliary care to this veteran, since he entered the service on the date following the termination date for service in the Spanish-American War.

The right of this veteran to domiciliary care is not dependent, therefore, upon his honorable discharge from the service, for that right is not enjoyed by many men whose service was honest and faithful, but who entered service after the termination of war.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 13, 1934.*

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. BYRNS. Mr. Speaker, I move that the veto message and the bill be referred to the Committee on Military Affairs and printed.

The motion was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SWANK, at the request of Mr. JOHNSON of Oklahoma, indefinitely, on account of important business.

To Mr. HAINES, for 3 days, on account of funeral.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills, a joint resolution, and a concurrent resolution of the House of the following titles:

H.R. 206. An act for the relief of Pierre E. Teets;

H.R. 363. An act for the relief of James Moffitt;

H.R. 387. An act donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y.;

H.R. 452. An act for the relief of Laura B. Crampton;

H.R. 471. An act for the relief of Physicians and Surgeons Hospital, Ltd.;

H.R. 529. An act for the relief of Morris Spirt;

H.R. 740. An act for the relief of Wade Dean;

H.R. 1133. An act for the relief of Silas B. Lawrence;

H.R. 1306. An act for the relief of Clarence A. Wimley;

H.R. 1308. An act for the relief of John Parker Clark, Sr.;

H.R. 1345. An act for the relief of John Parker Clark, Jr.;

H.R. 1354. An act for the relief of C. V. Mason;

H.R. 1503. An act to amend the act entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California", approved March 1, 1893, as amended;

H.R. 1567. An act amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States court;

H.R. 1731. An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes;

H.R. 1766. An act to provide medical services after retirement on annuity to former employees of the United States disabled by injuries sustained in the performance of their duties;

H.R. 1769. An act for the relief of Jeannette S. Jewell;

H.R. 1792. An act for the relief of Michael Petrucelli;

H.R. 2038. An act for the relief of Jeanie G. Lyles;

H.R. 2326. An act for the relief of Emma R. H. Taggart;

H.R. 2416. An act for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan;

H.R. 2632. An act for the relief of Wilson G. Bingham;

H.R. 3054. An act for the relief of Christopher Cott;

H.R. 3084. An act authorizing the sale of portions of the Pueblo lands of San Diego to the city of San Diego, Calif.;

H.R. 3161. An act for the relief of Henry Harrison Griffith;

H.R. 3176. An act for the relief of Ernest Elmore Hall;

H.R. 3243—An act for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased;

H.R. 3295. An act for the relief of the estate of White B. Miller;

H.R. 3296. An act for the relief of Carl F. Castleberry;

H.R. 3318. An act to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army;

H.R. 3595. An act for the relief of St. Ludgers Catholic Church of Germantown, Henry County, Mo.;

H.R. 3606. An act for the relief of William Sheldon;

H.R. 3705. An act for the relief of Julia E. Smith;

H.R. 3748. An act for the relief of Mary Orinski;

H.R. 3791. An act for the relief of Gustav Welhoelter;

H.R. 3793. An act for the relief of Anthony Hogue;

H.R. 3912. An act for the relief of Roland Zolesky;

H.R. 4082. An act for the relief of John J. Corcoran;

H.R. 4224. An act to authorize the Postmaster General to hire vehicles from postal employees;

H.R. 4387. An act for the relief of Mary A. Rockwell;

H.R. 4446. An act for the relief of E. E. Hall;

H.R. 4579. An act for the relief of Dr. Charles T. Granger;

H.R. 4659. An act for the relief of Carleton-Mace Engineering Corporation;

H.R. 4666. An act for the relief of Jerry O'Shea;

H.R. 4670. An act for the relief of Lyman D. Drake, Jr.;

H.R. 4838. An act for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts;

H.R. 4952. An act for the relief of Theodore W. Beland;

H.R. 4957. An act for the relief of F. M. Peters and J. T. Akers;

H.R. 5018. An act to correct the naval records of former members of the crews of the revenue cutters *Algonquin* and *Onondaga;*

H.R. 5031. An act for the relief of Edith L. Peeps;

H.R. 5344. An act granting a franking privilege to Grace G. Coolidge;

H.R. 5357. An act for the relief of Alice M. A. Damm;

H.R. 5584. An act for the relief of William J. Kenely;

H.R. 5606. An act for the relief of W. R. McLeod;

H.R. 5809. An act to provide compensation for Robert Rayford Wilcoxson for injuries received in citizens' military training camp;

H.R. 6864. An act to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes;

H.R. 5947. An act authorizing adjustment of the claim of the Western Union Telegraph Co.;

H.R. 6037. An act to exempt from taxation certain property of the National Society of the Sons of the American Revolution;

H.R. 6238. An act for the relief of M. R. Welty;

H.R. 6284. An act for the relief of John R. Novak;

H.R. 6324. An act for the relief of Mabel Carver;

H.R. 6350. An act for the relief of Arthur Smith;

H.R. 6366. An act making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government;

H.R. 6497. An act for the relief of James Henry Green;

H.R. 6622. An act authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass.;

H.R. 6625. An act for the relief of Charles Farr;

H.R. 6696. An act for the relief of William T. Roche;

H.R. 6781. An act to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions;

H.R. 6898. An act authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans.;

H.R. 6998. An act for the relief of Capt. Frank J. McCormack;

H.R. 7067. An act for the relief of St. Anthony's Hospital at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary;

H.R. 7107. An act for the relief of Frank Baglione;

H.R. 7121. An act authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians;

H.R. 7161. An act to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn.;

H.R. 7230. An act for the relief of J. B. Hudson;

H.R. 7264. An act for the relief of M. N. Lipinski;

H.R. 7272. An act for the relief of John W. Adair;

H.R. 7348. An act to amend section 3937 of the Revised Statutes;

H.R. 7372. An act for the relief of Donald K. Warner;

H.R. 7387. An act for the relief of Royce Wells;

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

H.R. 7631. An act for the relief of Arthur A. Burn, Sr., and J. K. Ryland;

H.R. 7670. An act relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only;

H.R. 7697. An act for the relief of William Chinsky;

H.R. 7781. An act for the relief of Rosemund Pauline Lowry;

H.R. 7816. An act for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress;

H.R. 7893. An act for the relief of Ralph LaVern Walker;

H.R. 7953. An act for the relief of the Dallas County Chapter of the American Red Cross;

H.R. 8108. An act for the relief of Jeannette Weir;

H.R. 8115. An act for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield;

H.R. 8328. An act for the relief of the heirs of C. K. Bowen, deceased;

H.R. 8460. An act to amend section 392 of title 5 of the United States Code;

H.R. 8513. An act to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson;

H.R. 8514. An act authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government property;

H.R. 8587. An act to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas;

H.R. 8644. An act to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy;

H.R. 8650. An act for the relief of B. J. Sample;

H.R. 8688. An act for the relief of Stella E. Whitmore;

H.R. 8700. An act to establish a code of laws for the Canal Zone, and for other purposes;

H.R. 8727. An act for the relief of the First State Bank & Trust Co., of Mission, Tex.;

H.R. 8728. An act authorizing the Secretary of War to lease or to sell certain lands and buildings, known as Camp Eagle Pass, Tex., to the city of Eagle Pass, Tex.;

H.R. 8833. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Colony of Connecticut;

H.R. 8909. An act to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio;

H.R. 8930. An act to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries;

H.R. 9007. An act to amend section 11 of the District of Columbia Alcoholic Beverage Control Act;

H.R. 9234. An act to amend section 601(c)(2) of the Revenue Act of 1932;

H.R. 9326. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa.;

H.R. 9371. An act to authorize the incorporated town of Douglas City, Alaska, to undertake certain municipal public works, including construction, reconstruction, enlargement, extension, and improvements of its water-supply system; and construction, reconstruction, enlargement, extension, and improvements to sewers, and for such purposes to issue bonds in any sum not exceeding $40,000;

H.R. 9401. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa.;

H.R. 9402. An act to authorize the incorporated town of Fairbanks, Alaska, to undertake certain municipal public works, including construction, reconstruction, and extension of sidewalks; construction, reconstruction, and extension of sewers; and construction of a combined city hall and fire-department building, and for such purposes to issue bonds in any sum not exceeding $50,000;

H.R. 9571. An act granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River, in the city of Lawrence, Mass.;

H.R. 9617. An act to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries;

H.R. 9645. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo.;

H.R. 9646. An act to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge;

H. R. 9721. An act 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.;

H.J.Res. 341. Joint resolution authorizing an appropriation for the participation of the United States in the International Celebration at Fort Niagara, N.Y.; and

H.Con.Res. 43. Concurrent resolution 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.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S.Con.Res. 21. Concurrent resolution establishing a joint committee to investigate the question of participation by the Government in the Centennial of the Independence of the Republic of Texas.

The message also announced that the Senate agrees to the amendment of the House to a bill of the following title:

S. 3230. An act creating the Florence Bridge Commission and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Florence, Nebr.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.Con.Res. 20. Concurrent resolution authorizing the printing of additional copies of the hearings held before the Committee on Foreign Relations of the Senate on the resolution (S.Res. 278), "St. Lawrence waterway", Seventy-second Congress, second session.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 541. An act for the relief of John P. Leonard;

H.R. 2439. An act for the relief of William G. Burress, deceased;

H.R. 3032. An act for the relief of Paul Jelna;

H.R. 4460. An act to provide for the payment of compensation to George E. Q. Johnson;

H.R. 7982. An act to establish a national military park at the Battlefield of Monocacy, Md.;

H.R. 8525. An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of class B in residential districts;

H.R. 9002. An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes; and

H.R. 9745. An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2347. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 47 minutes p.m.) the House adjourned until tomorrow, Thursday, June 14, 1934, at 12 o'clock noon.

---

503. Under clause 2 of rule XXIV, a letter from the Secretary of the Treasury, transmitting a draft of a proposed joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits, with recommendation for its enactment, was taken from the Speaker's table and referred to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JAMES: Committee on Military Affairs. H.R. 9562. A bill granting certain lands to the University of Utah in Salt Lake County, Utah; with amendment (Rept. No. 1970). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. House Joint Resolution 370. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits; without amendment (Rept. No. 1972). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. S. 2987. An act to restore homestead rights in certain cases; without amendment (Rept. No. 1976). Referred to the Committee of the Whole House on the state of the Union.

Mr. KENNEY: Committee on Interstate and Foreign Commerce. S. 3553. An act to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey; without amendment (Rept. No. 1977). Referred to the House Calendar.

Mr. ROGERS of Oklahoma: Committee on Indian 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); with amendment (Rept. No. 1979).

Referred to the Committee of the Whole House on the state of the Union.

Mr. HAINES: Committee on the Post Office and Post Roads. H.R. 9756. A bill to authorize the establishment and maintenance of an industrial plant at Reedsville, W.Va.; with amendment (Rept. No. 1980). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H.R. 3829. A bill to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health; without amendment (Rept. No. 1981). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. S. 3113. A bill to add certain lands to the Malheur National Forest in the State of Oregon; without amendment (Rept. No. 1982). Referred to the Committee of the Whole House on the state of the Union.

Mr. MEAD: Committee on the Post Office and Post Roads. H.R. 9867. A bill amending the Independent Offices Appropriation Act of 1935; with amendment (Rept. No. 1983). Referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of West Virginia: Committee on the Post Office and Post Roads. H.R. 9355. A bill to increase the postage charge for the return of dead letters and to provide for the collection of a registry fee upon such letters when containing money; without amendment (Rept. No. 1986). Referred to the Committee of the Whole House on the state of the Union.

Mr. CROSSER: Committee on Interstate and Foreign Commerce. H.R. 9911. A bill to provide a retirement system for railroad employees, and thereby to provide unemployment relief, and for other purposes; with amendment (Rept. No. 1988). Referred to the Committee of the Whole House on the state of the Union.

Mr. MUSSELWHITE: Committee on the Post Office and Post Roads. S. 822. An act to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers; without amendment (Rept. No. 1989). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McFARLANE: Committee on Naval Affairs. H.R. 7999. A bill to extend to Sgt. Maj. Edmund S. Sayer, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men; without amendment (Rept. No. 1973). Referred to the Committee of the Whole House.

Mr. KNIFFIN: Committee on Naval Affairs. H.R. 8939. A bill for the relief of Herbert L. Stafford; without amendment (Rept. No. 1974). Referred to the Committee of the Whole House.

Mr. MOTT: Committee on the Public Lands. H.R. 9610. A bill for the relief of Ivan H. McCormack; without amendment (Rept. No. 1975). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H.R. 7386. A bill for the relief of George Francis Grundy; without amendment (Rept. No. 1978). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H.R. 5568. A bill for the relief of A. W. Duckett & Co., Inc.; without amendment (Rept. No. 1984). Referred to the Committee of the Whole House.

Mr. COLLINS of California: Committee on Indian Affairs. H.R. 9446. A bill authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles; without amendment (Rept. No. 1985). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STEAGALL: A bill (H.R. 9915) to amend section 12B of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

By Mr. CALDWELL: A bill (H.R. 9916) to amend the Reconstruction Finance Corporation Act so as to extend the provisions thereof to private corporations to aid in constructing and maintaining facilities for the marketing, storing, warehousing, and/or processing of forest products; to the Committee on Banking and Currency.

By Mr. REECE: A bill (H.R. 9917) to exclude from the Great Smoky Mountains National Park the lands of Charles Murphy and Horace Murphy; to the Committee on the Public Lands.

By Mr. KNUTSON: A bill (H.R. 9918) to place an embargo on rye; to the Committee on Ways and Means.

By Mr. GUYER: A bill (H.R. 9919) to amend section 3 of the act entitled "An act for the retirement of employees of the classified civil service, and for other purposes", approved May 22, 1920, and acts in amendment thereof, to extend benefits of retirement legislation to employees of the clerk of the Supreme Court of the District of Columbia; to the Committee on the Civil Service.

By Mr. BANKHEAD: Resolution (H.Res. 437) for the consideration of H.R. 9861, a bill to amend the Railway Labor Act, approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees; to the Committee on Rules.

My Mr. SIROVICH: Resolution (H.Res. 438) stating that the Government of the United States, in its executive department, is a great business enterprise with a capital, number of employees, and scope of functions beyond any commercial organization in the Nation; to the Committee on Expenditures in the Executive Departments.

By Mr. McSWAIN: Resolution (H.Res. 439) authorizing the expenditure of not to exceed $20,000, in addition to the amount authorized by House Resolution 284, Seventy-third Congress, second session, to continue the investigation authorized and directed by House Resolution 275, Seventy-third Congress, second session; to the Committee on Accounts.

By Mr. HESS: Joint resolution (H.J.Res. 372) to authorize the Attorney General of the United States to transfer certain documents to the Library of Congress; to the Committee on the Library.

By Mr. DOUGHTON: Joint resolution (H.J.Res. 373) to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOWELL: A bill (H.R. 9920) for the relief of Merton E. Bent; to the Committee on Claims.

By Mr. FADDIS: A bill (H.R. 9921) for the relief of Sarah Elizabeth Ballentyne; to the Committee on Claims.

By Mrs. GREENWAY: A bill (H.R. 9922) for the relief of Annie E. Daniels; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5127. By Mr. ANDREW of Massachusetts: Petition adopted by the General Court of Massachusetts, favoring legislation providing for a system of retirement for railroad

employees; to the Committee on Interstate and Foreign Commerce.

5128. By Mr. CONDON: Petition of the Cranston Branch, Young Men's Democratic League of Rhode Island, supporting House bill 9177, authorizing the Reconstruction Finance Corporation to loan the sum of $12,000,000 to the Respess Aeronautical Corporation, of Cranston, R.I., for the construction and operation of two suspension-bridge-type airships in trans-Atlantic service; to the Committee on Banking and Currency.

5129. By Mr. JAMES: Petition in the nature of a request of the Iron River Mine Workers, No. 125, through J. T. Sutherland, of Stambaugh, Mich., requesting that a committee be appointed for the purpose of investigation of the metalliferous mining industry to the end that some measure of justice may be had for the workers engaged in this hazardous and unhealthful occupation; to the Committee on Labor.

5130. By Mr. LEHR: Petition of the Michigan Chapter of International Federation of Catholic Alumnae, urging Congress to pass Senate bill 2910, with amendment 301 unchanged, which would allocate 25 percent of all radio facilities to nonprofit organizations; to the Committee on Merchant Marine, Radio, and Fisheries.

5131. By Mr. LINDSAY: Petition of the Port of New York Authority, New York City, opposing the passage of House bill 9201 and Senate bill 3553; to the Committee on Interstate and Foreign Commerce.

5132. Also, petition of Post & McCord, Inc., A. J. Post, president, New York City, opposing the enactment of the Wagner labor-disputes bill (S. 2926); to the Committee on Labor.

5133. Also, petition of the Tisdale Coal Co., Inc., Astoria, Long Island, N.Y., opposing the amended Wagner labor-disputes bill; to the Committee on Labor.

5134. Also, petition of the Pilgrim Laundry, Inc., Brooklyn, N.Y., opposing the Industrial Adjustment Act; to the Committee on Labor.

5135. Also, petition of the American Train Dispatchers Association, Yonkers, N.Y., urging enactment of House bills 9861 and 9596 before adjournment; to the Committee on Interstate and Foreign Commerce.

5136. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, favoring enactment of the Hatfield-Wagner bill; to the Committee on Interstate and Foreign Commerce.

5137. By Mrs. ROGERS of Massachusetts: Petition of the Senate and House of Representatives of the State of Massachusetts, memorializing Congress in favor of legislation providing for a retirement system for railroad employees; to the Committee on Interstate and Foreign Commerce.

5138. By Mr. RUDD: Petition of the Tisdale Coal Co., Inc., Astoria, Long Island, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5139. Also, petition of the Pilgrim Laundry, Inc., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5140. Also, petition of Post & McCord, steel construction, New York City, opposing the Wagner disputes bill; to the Committee on Labor.

5141. Also, petition of the Port of New York Authority, New York City, opposing House bill 9201 and Senate bill 3553; to the Committee on Interstate and Foreign Commerce.

5142. By Mr. TRAEGER: Petition of the American Technotax Society, urging legislation appropriating $100,000, or as may be required, to conduct a comprehensive survey of the man power or man displacement of machines and equipment used in mass production; that the survey be conducted by recognized economists and technicians appointed by the President with a view to furnishing data which the Congress of the United States may use as a factual basis for the enactment of graduated taxes on mass-production machinery to benefit and protect American workers and stabilize industrial progress; to the Committee on Appropriations.

5143. Also, petition of the Echo Park Post, No. 414, the American Legion, Los Angeles, Calif., urging that the entire operation of the State emergency relief administration be opened to Federal investigation immediately in order to determine the following desired information: (1) Names of officials, salaries received, employment capacity, and qualifications; (2) previous payments to said officials out of public funds for relief work; and (3) length of time spent on paid-relief work also on Civil Works Administration assignments; to the Committee on Banking and Currency.

5144. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, memorializing Congress in favor of legislation providing for a retirement system for railroad employees; to the Committee on Interstate and Foreign Commerce.