Dykes, Jim Thereldkeld, R. R. Crain, J. B. Tolson, J. C. Rogers, S. K. Broach, Albert Easterling, J. L. Rivers, F. C. Wilson, E. C. Finley, W. W. Mitchell, J. G. Carey, Carl Graves, Jerome Dupree, J. R. Mitchell, J. L. Mitchell, and J. C. Russell; to the Committee on Claims.

By Mr. MAPES: A bill (H. R. 2632) granting an increase of pension to John W. Zibble; to the Committee on Pensions.

By Mr. MAVERICK: A bill (H. R. 2633) to authorize the appointment of Sam Alexander as a warrant officer, United States Army; to the Committee on Military Affairs.

By Mr. MILLER: A bill (H. R. 2634) granting an increase of pension to Celia A. Chappelle; to the Committee on Pensions.

Also, a bill (H. R. 2635) for the relief of John T. Thompson; to the Committee on Military Affairs.

By Mr. MITCHELL of Tennessee: A bill (H. R. 2636) 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; to the Committee on Military Affairs.

By Mr. DEEN: A bill (H. R. 2637) for the relief of D. W. F. Maloy; to the Committee on War Claims.

By Mr. MURDOCK of Utah: A bill (H. R. 2638) for the relief of B. N. Reddington; to the Committee on Claims.

Also, a bill (H. R. 2639) granting a pension to Margaret Harrison; to the Committee on Pensions.

Also, a bill (H. R. 2640) for the relief of Frederic R. Leland; to the Committee on Military Affairs.

By Mr. O'CONNELL of Montana: A bill (H. R. 2641) for the relief of John Stevens; to the Committee on Claims.

Also, a bill (H. R. 2642) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Waterton Oil, Land & Power Co., of Butte, Mont., against the United States; to the Committee on the Public Lands.

Also, a bill (H. R. 2643) for the relief of Benjamin Stewart; to the Committee on Claims.

By Mr. O'CONNELL of Rhode Island: A bill (H. R. 2644) for the relief of Rocky Brook Mills Co.; to the Committee on War Claims.

By Mr. REECE of Tennessee: A bill (H. R. 2645) for the relief of E. R. Logwood; to the Committee on Claims.

Also, a bill (H. R. 2646) for the relief of Isabella Hooper Caraway and James Randolph Hooper; to the Committee on Claims.

Also, a bill (H. R. 2647) granting a pension to Venia Moody; to the Committee on Invalid Pensions.

By Mr. REED of New York: A bill (H. R. 2648) granting an increase of pension to Eliza M. Matthews; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2649) for the relief of Elva T. Shuey; to the Committee on Claims.

By Mrs. ROGERS of Massachusetts: A bill (H. R. 2650) for the relief of Veracunda O'Brien Allen; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H. R. 2651) for the relief of Leon Lawrence Hamb; to the Committee on Naval Affairs.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 2652) granting an increase of pension to Lovina Baumgardner; to the Committee on Invalid Pensions.

By Mr. STARNES: A bill (H. R. 2653) for the relief of the heirs of James W. Fennel; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 2654) granting an increase of pension to James L. Phillips; to the Committee on Pensions.

Also, a bill (H. R. 2655) for the relief of the heirs of Thomas J. Mason, deceased; to the Committee on War Claims.

By Mr. THOMPSON of Illinois: A bill (H. R. 2656) granting a pension to Helen R. Pitney; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 2657) authorizing the Secretary of the Navy to advance on the retired list of the Navy, David J. Mahoney, retired, to chief boilermaker, retired; to the Committee on Naval Affairs.

Also, a bill (H. R. 2658) for the relief of George Russel Thorson; to the Committee on Naval Affairs.

By Mr. SMITH of Virginia: A bill (H. R. 2659) to authorize the return of the commission of John Baptiste Ashe as a major in the Continental Army to Martha B. Rogers, nee Ashe; to the Committee on Military Affairs.

By Mr. TINKHAM: A bill (H. R. 2660) granting a pension to Emma J. Moore; to the Commitee on Invalid Pensions.

By Mr. WALTER: A bill (H. R. 2661) granting an increase of pension to Mary M. Snyder; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H. R. 2662) for the relief of Ada E. Sivley and George C. Sivley; to the Committee on Claims.

By Mr. WHELCHEL: A bill (H. R. 2663) granting an increase of pension to John R. Robertson; to the Committee on Pensions.

Also, a bill (H. R. 2664) to correct the military record of Jonathan Waters; to the Committee on Military Affairs.

Also, a bill (H. R. 2665) for the relief of W. D. Presslie; to the Committee on Claims.

Also, a bill (H. R. 2666) for the relief of Fred Robert Craig; to the Committee on Claims.

Also, a bill (H. R. 2667) for the relief of Mr. and Mrs. Jerry Martin Tow; to the Committee on Claims.

Also, a bill (H. R. 2668) for the relief of Hoyt G. Barnett; to the Committee on Claims.

Also, a bill (H. R. 2669) to correct the United States Coast Guard service of Jesse D. Gause; to the Committee on Merchant Marine and Fisheries.

Also, a bill (H. R. 2670) to correct the military record of Newton F. Ray; to the Committee on Military Affairs.

Also, a bill (H. R. 2671) for the relief of Ray Bailey; to the Committee on Claims.

Also, a bill (H. R. 2672) granting a pension to Mildred Elizabeth Sailors; to the Committee on Pensions.

Also, a bill (H. R. 2673) for the relief of Howard Hefner; to the Committee on Claims.

Also, a bill (H. R. 2674) granting a pension to Viola E. Mann; to the Committee on Pensions.

Also, a bill (H. R. 2675) to correct the military record of Waldo E. Cape; to the Committee on Military Affairs.

Also, a bill (H. R. 2676) for the relief of Mrs. Clifford D. Barber; to the Committee on Claims.

Also, a bill (H. R. 2677) for the relief of Eddie B. Black; to the Committee on Claims.

SENATE

TUESDAY, JANUARY 12, 1937

The Senate met at 12 o'clock meridian.

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

O Thou who travelest on the wings of the morning, who of Thy gracious bounty hast bestowed upon us all the gift of sleep, that blessed barrier 'twixt day and day and mother of fresh thoughts and joyous health, we give Thee thanks for all the blessings of this life as again we bow before Thee at this altar dedicated to our country's high and holy destiny.

Help us now and always to give the reins of our life into Thy hands, Thou who dost keep him in perfect peace whose mind is stayed on Thee, for nothing can take Thee by surprise, nothing can outweary Thee.

Thus, as fellow laborers with Thee, may we move through the hours, breathing the atmosphere of love, seeking by kindness rather than by anxious striving to quicken and bless the lives of others, which is the mark of our high calling in Christ Jesus, our Lord. Amen.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of Monday, January 11, 1937, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bill and joint resolution:

S. 591. An act granting a pension to Grace G. Coolidge; and

S. J. Res. 17. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies.

The message also announced that the House had passed a joint resolution (H. J. Res. 106) to exempt from the tax on admissions amounts paid for admission tickets sold by authority of the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1937, in which it requested the concurrence of the Senate.

ANNIVERSARY OF THE EIGHTEENTH AMENDMENT—NOTICE OF ADDRESS BY SENATOR SHEPPARD

Mr. SHEPPARD. Mr. President, I desire to give notice that, if it shall be in session on next Saturday, January 16, I shall then address the Senate on the subject of the seventeenth anniversary of the eighteenth amendment to the Constitution of the United States. If the Senate shall not be in session on that day, I shall endeavor to speak on the following Monday.

CALL OF THE ROLL

Mr. ROBINSON. 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	Caraway	Hitchcock	Pepper
Andrews	Chavez	Holt	Pittman
Ashurst	Clark	Hughes	Pope
Austin	Connally	Johnson, Colo.	Radcliffe
Bachman	Copeland	King	Reynolds
Bailey	Davis	La Follette	Robinson
Bankhead	Dieterich	Lodge	Russell
Barkley	Duffy	Logan	Schwartz
Bilbo	Ellender	Lonergan	Schwellenbach
Black	Frazier	Lundeen	Sheppard
Bone	George	McCarran	Steiwer
Borah	Gerry	McKellar	Thomas, Okla.
Bridges	Gibson	McNary	Thomas, Utah
Brown, Mich.	Gillette	Maloney	Truman
Brown, N. H.	Glass	Minton	Tydings
Bulkley	Green	Moore	Vandenberg
Bulow	Guffey	Neely	Van Nuys
Burke	Hale	Norris	Walsh
Byrd	Harrison	Nye	Wheeler
Byrnes	Hatch	O'Mahoney	
Capper	Hayden	Overton	

Mr. THOMAS of Oklahoma. I announce the absence of my colleague [Mr. Lee] because of illness.

Mr. BULKLEY. I announce that my colleague the junior Senator from Ohio [Mr. Donahey] is detained from the Senate because of a cold.

Mr. McNARY. I announce that the Senator from Maine [Mr. White] is necessarily absent, that the senior Senator from Minnesota [Mr. Shipstead] is absent on account of illness, and that the Senator from Delaware [Mr. Townsend] is necessarily detained from the Senate.

Mr. ROBINSON. I announce that the Senator from California [Mr. McAdoo] is detained from the Senate because of the death of his son; that the Senator from South Carolina [Mr. Smith] is detained because of a serious accident to a member of his family; that the Senator from Illinois [Mr. Lewis] and the Senator from Kansas [Mr. McGill] are absent attending the ceremonies incident to the inauguration of the Governors of their respective States; and that the Senator from Montana [Mr. Murray] and the Senator from New York [Mr. Wagner] are unavoidably detained from the Senate.

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

MESSAGES FROM THE PRESIDENT

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

EXPENDITURES OF COURT OF CUSTOMS AND PATENT APPEALS

The VICE PRESIDENT laid before the Senate a letter from the Attorney General, transmitting, pursuant to law, a statement for the fiscal year ended June 30, 1936, of expenditures under the appropriations for the United States Court of Customs and Patent Appeals, which, with the accompanying statement, was referred to the Committee on the Judiciary.

SPECIAL ASSISTANT ATTORNEYS, DEPARTMENT OF JUSTICE

The VICE PRESIDENT laid before the Senate a letter from the Attorney General, transmitting, pursuant to law, a report as of January 1, 1937, showing the special assistants employed under the appropriation "Pay of special assistant attorneys", contained in the Department of Justice Appropriation Act, 1937, together with the rates of compensation, the amounts paid, and a description of their duties, which, with the accompanying report, was referred to the Committee on the Judiciary.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution adopted by the City Council of Oakland, Calif., favoring the enactment of legislation providing for the relief of the employable unemployed over a period of years, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by the City Council of Oakland, Calif., favoring the making of an appropriation for the Works Progress Administration sufficient to permit completion of projects begun but not yet completed on the basis of original agreements for allocating costs of materials, which was referred to the Committee on Appropriations.

PETITION OF WALLKILL VALLEY (N. Y.) DRAINAGE IMPROVEMENT ASSOCIATION

Mr. COPELAND. I present the petition of the Wallkill Valley Drainage Improvement Association, Orange County, N. Y., and ask that it be printed in the Record; and that, with the attached papers, it be referred to the Committee on Commerce for such action as the committee may deem wise.

The VICE PRESIDENT. Without objection, it is so ordered.

The petition is as follows:

To the Flood Control Committee of the United States Senate:

Whereas the Government of the United States, through the agency of the Civilian Conservation Corps, under the direction of the Engineer Corps of the United States Army, has undertaken and is now carrying on a major flood-control and drainage-improvement project along the upper Wallkill River, in the county of Orange, State of New York; and

Whereas the State of New York, through its water power and control commission, in furtherance of said project, has formed and is administering the Wallkill Valley Drainage Improvement District, in said county and State, and has issued bonds, payable by direct taxation against the residents of said district, to finance its share of the cost thereof; and

Whereas the said residents of said district have consented to and approved said bond issue and obligated themselves therefor, upon the understanding that said drainage-improvement project would be completed by the United States Government in its originally approved form; and

Whereas the Wallkill Valley Drainage Improvement Association, being the duly formed body politic organized under the conservation law of the State of New York to represent the residents of said district, is now informed that the Government is contemplating the termination of its work on said project in the near future without completing said project, and that the funds appropriated for said project are insufficient to enable the Army engineers to finish their work as originally planned and authorized, and that, among other portions, that section of said work known as the "main cut-off channel" in the locality south of Pellet's Island Mountain in particular will be left uncompleted; and

Whereas the public needs of the residents of said district require full completion of said project as planned and authorized; and

Whereas if said project be left incomplete, great harm and damage will be done to farm lands within the area of said district and the rights of its residents and taxpayers will be seriously impaired and jeopardized and great loss entailed to hundreds of residents of said county of Orange; and

Whereas if said project should be now abandoned in its present form and left incomplete, the taxpayers and farmers of said district will sustain greater damage than if the said project had never been begun; and

Whereas the officers and executive committee of said Wallkill Valley Drainage Improvement Association are convinced of the facts herein set forth by personal knowledge and through competent expert advice: Now, therefore, be it

Resolved, That the said Wallkill Valley Drainage Improvement Association shall, and hereby does, petition the Government of the United States, through its proper agencies, to direct the completion of the said Wallkill River flood-control and drainage-improvement project in the form originally planned and contemplated, and to complete said river improvement in a proper, effective, scientific, and workmanlike manner within the area along said river from the boundary of the State of New Jersey on the south to the county highway at Phillipsburg on the north, in said county of Orange, and to approve and authorize the expenditure of so much additional money as may be necessary and required for said purposes, and also to approve and authorize the continued employment of the present, or increased, Civilian Conservation Corps personnel, under the supervision of the present efficient staff of Army engineers, for so long a time as may be required for the above purposes.

And your petitioners pray an early inquiry into the urgent needs herein set forth.

Dated, Florida, Orange County, N. Y., January 5, 1937.

Wallkill Valley Drainage Improvement Association, by Walter R. Stun (president), John J. Downey (secretary), Samuel Chison (treasurer), A. J. Bogdanski (first vice president), R. McCormick (second vice president), Anthony A. Lis (assistant secretary), Karl J. Fiske, F. J. Kurowski, Floyd Morgiewiz, Joseph Wisemen, Jr., John J. Nowoik, Leo Schribins, Joseph P. Kuega, M. Cutfus Lain, its executive committee.

LEGISLATIVE PROGRAM OF THE NATIONAL GRANGE

Mr. SHEPPARD. Mr. President, I present, for reference to the Committee on Agriculture and Forestry, the legislative program of the National Grange for 1937, which I ask may be printed in the RECORD.

There being no objection, the matter was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

LEGISLATIVE PROGRAM OF THE NATIONAL GRANGE FOR 1937, ADOPTED AT ITS SEVENTIETH ANNUAL CONVENTION AT COLUMBUS, OHIO, NOVEMBER 11-19, 1936

1. Justice for agriculture: Agriculture asks for equality, rather than special privilege. It seeks economic justice, rather than subsidy. But until the equilibrium of our basic industry is restored, and until the farmer receives a more just proportion of the national income, some measure of governmental assistance will be needed.

Our goal should be the preservation and prosperity of the family-sized farm. It is contrary to sound public policy, and un-American as well, for the Government to encourage corporation or large-scale farming.

2. Soil Conservation Act: The welfare of this and succeeding generations calls for the wise conservation of our soil resources. We must preserve its fertility and prevent erosion. In broad outlines we approve of the program which has been launched in this connection. However, the preservation of democracy and of American ideals demands that there shall be no undue regimentation of the farmer. We favor the largest possible degree of farmer control in the administration of the Soil Conservation Act.

3. Control of monopoly: It is manifest that the blessings of political liberty cannot be fully enjoyed under a system which permits monopolies and monopolistic practices to rob the people of the fruits of their toil. We favor the enforcement of the Sherman antitrust law, with any clarifying and strengthening amendments that may be needed to enable us to cope with present-day conditions.

4. Reciprocal-trade agreements: If the Reciprocal Tariff Act is to be renewed, there should be a provision requiring that all trade agreements or treaties made thereunder be ratified by the United States Senate before becoming effective. Such treaties should not contain the unconditional most-favored-nation clause, under which policy we gain concessions from one nation while making concessions to all other nations producing and exporting any given commodity.

5. Tariff policy: Following is an outline of the tariff policy adopted by the National Grange:

(a) So long as the American protective policy is maintained, we favor such rates of import duty as will assure the American market for the American farmer to the extent that he is able to supply it.

(b) Since it is well understood that producers of surplus crops receive no direct tariff benefits, equality and justice demand that import duties on commodities which the farmer must buy should be fixed at fair and reasonable levels.

(c) As a measure of equality under our tariff system, we favor the continuance of the plan which dedicates 30 percent of the receipts from customs to the exportation, removal, or diversion of agricultural surpluses.

(d) We affirm that it is contrary to sound public policy to impose tariffs for the protection of such resources as cannot be renewed when they are once exhausted.

(e) In no case should tariff rates be granted that breed monopoly, enriching the few at the expense of the many, and which encourage inefficiency, rather than efficiency, in American industry.

(f) We reaffirm the long-established policy of the Grange in demanding "tariff for all or tariff for none."

6. Land utilization: Following is a concise outline of the Grange policy on land utilization:

(a) If, under prevailing conditions, new land is brought under cultivation at public expense, the Government should purchase and retire from agricultural production a much greater amount of submarginal land.

(b) Submarginal agricultural land should be utilized for pasture, timber production, recreational uses, game preserves, or other suitable purposes.

(c) We favor the restoration of the Bureau of Soils as a separate entity under the Department of Agriculture.

(d) We favor the transfer of the Land Utilization Division of the Resettlement Administration to the Department of Agriculture. It is in the national interest that there be retained in this Department the complete management of the national forests, the Soil Conservation Service, the Biological Survey, and other agencies directly related to agriculture. Nationally owned lands of primary value for timber production, water and soil conservation, and grazing, including lands administered under the Taylor Grazing Act, should be transferred to the Department of Agriculture.

7. The Federal Constitution: The Grange has an abiding faith in the excellence and fundamental soundness of the Constitution, which made and preserved us a nation. While we do not look upon the Constitution as sacred in the sense that it should never be changed, even in its minor details, we are firmly convinced that the checks and balances contained in it as between the legislative, executive, and judicial departments must be maintained. The Grange does not look with favor upon the proposal that the power of the Supreme Court to pass upon the constitutionality of acts of Congress should be abridged or impaired. The right of free speech, a free press, and of public assemblage must be kept inviolate.

8. Centralization of government: The Grange deprecates the tendency toward overcentralization of government, which has been in progress in this country for many years. It is fatal to the cause of good government, besides adding enormously to the tax burden, to destroy the local sense of responsibility which causes the average citizen to scrutinize public expenditures.

We are opposed to any constitutional changes that would abridge the rights of the States to control their own affairs within proper limits or that would impair the legitimate rights of the people in the affairs of local self-government.

9. Farm tenancy: The Grange favors the adoption of a workable plan by the Government to encourage farm tenants to become home owners under proper conditions. We likewise favor the continuance of the present rural rehabilitation program.

10. Taxation: It should be clearly understood that colossal bond issues and the swelling proportions of the public debt mean the same thing as deferred taxation. Every effort should be made to balance the Federal Budget at the earliest practicable date, primarily by reducing expenditures. The Grange recommends:

(a) That the base of taxation be broadened, to the end that all persons be made tax conscious. Income-tax exemptions should be lowered and rates in the higher brackets should be raised.

(b) Income from all sources should be made taxable, including that from salaries paid by State and Federal Governments, together with interest on tax-exempt bonds.

(c) A portion of all revenues accruing from the Federal income tax should be returned to the States for the benefit of the public schools, with provision for State administration.

(d) Maintenance of inheritance, gift, and estate taxes.

(e) We oppose a general sales tax on the necessities of life, because it ignores the principle of ability to pay.

(f) We favor the appointment of a Federal commission to make a study of our whole system of taxation, Federal and State, with a view to securing a more just and equitable distribution of the burdens of government.

11. Rural credits: We commend the Farm Credit Administration for the excellent service it has rendered during the past several years. We recommend that the reduced interest rate on mortgages held by the Federal land banks be continued until normal conditions again prevail in agriculture.

Congress should restore to farmer borrowers the right to name the majority of the directors of the land banks, as was provided under the original Farm Loan Act.

Provision should be made for the appointment of the governor and four commissioners of the Farm Credit Administration for 5-year terms, so staggered that one term expires each year, and with not more than three members belonging to the same political party.

12. Monetary stabilization: The Grange stands for an honest dollar, a dollar that will be fair to debtor and creditor alike. We advocate an amendment to the Banking Act of 1935, under which Congress will give a mandate to the Board of Governors of the Federal Reserve System to manage the currency in such a way as to restore the average price level obtaining between 1921 and 1929, and then to stabilize the purchasing power of the dollar at that point. Congress should exercise the authority conferred upon it by the Constitution "to coin money and regulate the value thereof."

To save interest on the public debt, we believe it would be sound policy for the Government to issue non-interest-bearing Treasury notes, not exceeding $3,000,000,000, in providing relief funds or financing any further public-works projects. In issuing such currency definite provision should be made for its redemption at a given rate per year.

13. Railroads: Railroads should cooperate to reduce competitive expenses; unnecessary services should be abandoned, metropolitan terminals consolidated, and circuitous haulage eliminated. We believe that railroads should be permitted to engage in motor transportation under proper conditions.

The Grange is unalterably opposed to the proposal for the repeal of the long-and-short-haul clause of the Transportation Act, which provides that railroads may not charge more for a shorter haul than for a longer one over the same line and in the same direction.

14. Motor transportation: We approve of the appropriations made by the Federal Government for highway construction, including the allocation of a just proportion of such funds for the improvement of farm-to-market roads. The attitude of the Grange regarding the regulation and taxation of motor vehicles is as follows:

(a) The interest and safety of the public require the enforcement of proper restrictions regarding the size, weight, and speed of all motor vehicles moving over the public highway.

(b) Such regulations should be uniform as between the several States, and there should be reciprocity between the States based on such uniformity.

(c) The power to regulate is a police power lodged with the States. As a basis for regulation, we commend to all the States adoption of the uniform code for the regulation of traffic approved by the American Association of State Highway Officials and the United States Bureau of Public Roads.

(d) With respect to highway taxation, each motor vehicle should be taxed its fair share of the cost of the highways which it uses. The State should be the sole taxing agency.

(e) Every special tax collected for highway improvement should be conserved for that purpose alone. Consequently, no gasoline-tax diversion should be permitted.

(f) No taxation or regulation of motor vehicles should be permitted which has for its purpose any increase in cost or restriction in use in order to equalize competition between motor transportation and other forms of transportation.

(g) We advocate the repeal of the Motor Carriers' Act of 1935 on the ground that this legislation is not in the public interest.

15. Inland waterways: Since the Federal Government, over a period of many years, has expended large sums of money for the development and improvement of our inland waterways, the Grange is opposed to the adoption of any policy which would destroy the value of this wise investment. Our water-borne commerce should not be hindered or restricted by unnecessary regulation and interference on the part of the Government.

We favor ratification of the pending treaty calling for the completion of the St. Lawrence seaway and the development of hydroelectric power contemplated in this project.

16. Rural electrification: We approve of the efforts of the Government to promote the cause of rural electrification through the agency of the R. E. A. In the making of loans the present policy of giving preference to public power districts and nonprofit cooperative associations should be continued.

17. Governmental reorganization: We approve of the steps being taken toward the reorganization and reclassification of the various boards and commissions of the Federal Government. Such agencies as have outlived their usefulness should be discarded, and duplication and overlapping should be eliminated in the interest of economy and efficiency. Administrative units relating to farm affairs should all come under the Department of Agriculture.

18. Crop insurance: We favor the adoption of a workable system of crop insurance under the auspices of the Federal Government. Such a plan should be on a voluntary basis, to be tried out on a limited scale.

19. Agricultural research: We favor continued Federal support of agricultural research, particularly with a view to discovering new uses for farm products and the utilization of surplus crops. Further experimentation in the manufacture of industrial alcohol from farm products would be especially helpful.

20. Agricultural education: We approve of the additional appropriations authorized at recent sessions of Congress for the endowment of land-grant colleges and for the further development of extension work in agriculture and in home economics, together with more adequate funds for the support of State experiment stations. We likewise approve of the expanded program for vocational education.

The Smith-Lever Act should be so amended as to forbid direct or indirect contributions to the Agricultural Extension Service on the part of private citizens, chambers of commerce, farm organizations, or similar groups, so that extension workers shall be paid entirely from public funds, leaving them free to serve the people without favoritism or discrimination. In no case should any farm organization be allowed to graft itself upon the Extension Service nor dominate it to serve its own ends.

21. Forestry and conservation: We recommend the adoption of a comprehensive Federal program relating to forestry and conservation, and embracing—

(a) Encouragement and assistance to private owners in the extension of farm forestry and in the adoption of practices for sustained timber production.

(b) Giving more adequate protection from fire to both public and private forest and range lands, with greater emphasis on the control of insect pests, diseases, and the prevention of floods and erosion.

(c) Providing for more adequate development and maintenance of national-forest recreational and wildlife resources.

(d) Providing for public acquisition of forests and other lands not suitable for private ownership, with adequate reimbursement to counties in lieu of taxes during a readjustment of the tax program.

22. Pooling mineral wealth: We favor action by Congress that will promote and encourage the pooling of petroleum and other mineral resources underlying farm lands.

23. Predatory animals: We favor legislation providing for joint appropriations by the Federal Government, together with States and counties, for the eradication of predatory animals in sections where such animals are a serious menace to agriculture.

24. Imitation dairy products: It is of vital interest to the dairy industry, as well as to the consuming public, that all legislation for the control and regulation of manufacturers of and dealers in imitation dairy products should remain in full force and effect. We emphasize our support of the essential features of an oleomargarine control law, namely:

(a) Adequate licensing of manufacturers, wholesalers, and retailers.

(b) An inclusive definition of the imitation product, including color specification.

(c) Clear provision for labeling and notice to the buyer.

(d) License fees and tax sufficient to cover cost of enforcing the law and to prevent unfair competition with the dairy industry.

(e) We ask for such legislation as may be necessary to prevent mail order or other interstate sales of oleomargarine which are in violation of such laws as are now in force or may hereafter be enacted.

(f) We approve of the action of Congress in placing a 3-cent tax on certain oils imported from abroad and used in this country in the making of butter substitutes. We likewise advocate the extension of this tax to all oils so used, or which otherwise compete with the products of the American farm.

25. Packers and Stockyards Act: We advocate the amendment of the Packers and Stockyards Act to provide for the more effective regulation by the Department of Agriculture of the marketing of livestock. Direct buying by the packers, merely in an effort to evade the law and depress prices, should not be further tolerated. Packers should likewise be prevented from engaging in large-scale feeding projects, either directly or through financial interest.

We favor a congressional investigation of the packing industry, with a view to uncovering existing abuses and paving the way for remedial legislation.

26. Argentine sanitary pact: Since American agriculture in the past has suffered heavy losses from foot-and-mouth disease, brought in from other countries, we are opposed to the ratification of the pending convention or treaty with the Argentine. Approval of the treaty would open our markets to imports of animal products from zones or areas in the Argentine that are supposed to be free from foot-and-mouth disease, although it is prevalent in other parts of the country. This would expose our flocks and herds to the danger of infection.

27. Pure Food and Drugs Act: We favor amendment of the present statute relating to pure food and drugs in such a manner as to bring collateral advertising within the scope of the act.

28. Control of liquor traffic: We favor the adoption of adequate measures by the Federal Government to protect dry States in the enforcement of their laws against the sale and use of intoxicating liquors, fulfilling the pledge that was made by the advocates of repeal of the eighteenth amendment. Shipments of liquor passing through dry States should be under seal, and bills of lading should be filed with the secretary of state at point of origin.

We are opposed to excessive taxes on liquor, because taxes that are too high will encourage bootlegging, official corruption, and general violation of the law.

We recommend that granges throughout the land join with other organizations in a campaign of education, calling attention to the evil effects of strong drink, exposing the fallacy of the idea that any nation can drink its way to prosperity, and emphasizing the truth that decency and sobriety are virtues that bring their own reward.

29. Imported dairy products: The Lenroot-Taber Milk Act of 1927 should be broadened so as to require that butter, cheese, and other imported dairy products meet the same sanitary requirements that are in effect domestically.

30. Imported starches: We favor adequate excise taxes on tapioca, sago, and cassava, now entering this country duty free, and competing with domestically produced farm products.

31. Land ownership: We favor immediate action prohibiting land ownership or leasing in the name of minor children born in the United States of alien parents when the latter are prevented by law from leasing or owning land.

32. Statehood for Hawaii: Since the major portion of the population of the Territory of Hawaii is composed of those who are ineligible to become citizens of the United States, we are opposed to the admission of this Territory to statehood.

33. Honest merchandising: We favor legislation for truth in fabrics, both for the benefit of agriculture and the protection of the consumer. Labeling shoes to indicate the materials used in their manufacture should likewise be required.

Manufacturers of zinc-coated roofing and fencing should be required to appropriately label their products as a guide to purchasers.

34. Registration of lobbyists: We are opposed to the enactment of any legislation for the regulation of lobbying that would be violative of the constitutional rights of the people. But we condemn the exercise of undue pressure or the expenditure of large sums of money by selfish interests in the effort to shape legislation or to control public policy. We have no objection to the idea that lobbyists should be required to register and make a proper financial accounting.

35. Taking profits out of war: We reaffirm our position in favor of taking the profits out of war. In the event of future armed conflict, wealth as well as manpower should be conscripted. The manufacture of armaments and munitions for national defense should be taken over by the Government in time of war.

36. World peace: We earnestly advocate that the Government of the United States continue to exert every effort to promote peace and good will among nations. Since disarmament on a purely

national basis is not practicable, we cherish the hope that our Government may use its best endeavors to bring about reduction in armaments on an international scale.

We favor a sound neutrality policy that will save America from becoming entangled in foreign wars of greed, hatred, and aggression, and which are of no direct concern to us.

POINTS OF HISTORIC INTEREST IN THE NATIONAL CAPITAL

Mr. WALSH. Mr. President, from the Committee on Printing I report an original resolution and ask for its immediate consideration. It is in the usual form of similar resolutions adopted in connection with Presidential inaugurations.

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

There being no objection, the resolution (S. Res. 58) was read, considered, and agreed to, as follows:

Resolved, That a revised and corrected edition of Senate Document No. 183, Seventy-second Congress, second session, entitled "Points of Historic Interest in the National Capital", be printed, with illustrations, as a Senate document, and that 5,000 additional copies be printed for the use of the Senate document room.

INVESTIGATIONS BY THE COMMITTEE ON BANKING AND CURRENCY

Mr. BYRNES. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without amendment, Senate Resolutions Nos. 52, 53, 54, and 56, and I ask unanimous consent for their immediate consideration. The first resolution relates to investigations by the Committee on Banking and Currency.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 52), submitted by Mr. GLASS (for Mr. WAGNER) on the 11th instant, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Banking and Currency, or any subcommittee thereof, hereby is authorized to sit during the sessions, recesses, and adjourned periods of the Seventy-fifth Congress at such times and places as it may deem advisable, to make investigations into all matters within its jurisdiction, and to compile and prepare statistics and documents relating thereto as directed from time to time by the Senate and as may be necessary, and to report in due course to the Senate the result thereof; to send for persons, books, and papers; to administer oaths, and to employ such expert stenographic, clerical, and other assistance as may be necessary; and all the expenses incurred in pursuance hereof shall be paid from the contingent fund of the Senate; and the committee is authorized to order such printing and binding as may be necessary for its use.

HEARINGS BEFORE THE COMMITTEE ON PRIVILEGES AND ELECTIONS

The resolution (S. Res. 53), submitted by Mr. GEORGE on the 11th instant, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Privileges and Elections, or any subcommittee thereof, is authorized, during the Seventy-fifth 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 on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON COMMERCE

The resolution (S. Res. 54), submitted by Mr. COPELAND on the 11th instant, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Commerce, or any subcommittee thereof, is authorized, during the Seventy-fifth Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost of not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON IMMIGRATION

The resolution (S. Res. 56), submitted by Mr. RUSSELL on the 11th instant, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Immigration, or any subcommittee thereof, hereby is authorized during the Seventy-fifth 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 on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. SHEPPARD:

A bill (S. 646) to provide the method of paying costs incident to the issuance or organization certificates;

A bill (S. 647) to amend section 9 of the Federal Credit Union Act, approved June 26, 1934 (Public, No. 467, 73d Cong.);

A bill (S. 648) to amend section 6 of the Federal Credit Union Act to provide for the cost of examination of Federal Credit Unions;

A bill (S. 649) to amend the Federal Credit Union Act to provide the method of taxing credit unions;

A bill (S. 650) to authorize investigations and researches in relation to credit for persons of small means; and

A bill (S. 651) to provide for space in Federal buildings for employees' credit unions; to the Committee on Banking and Currency.

A bill (S. 652) for the relief of John B. Jones;

A bill (S. 653) authorizing and directing the appointment of Joseph W. Harrison as a captain in the Chaplain Reserve Corps;

A bill (S. 654) to authorize the acquisition of land for military purposes in Bexar County, Tex., for use as an addition to Kelly Field Military Reservation, and to settle certain claims in connection therewith; and

A bill (S. 655) to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, as amended, by including Roger P. Ames among those honored by said act; to the Committee on Military Affairs.

By Mr. WALSH:

A bill (S. 656) for the relief of the estate of Milton L. Baxter;

A bill (S. 657) for the relief of Nathan A. Buck;

A bill (S. 658) for the relief of Arthur K. Finney;

A bill (S. 659) for the relief of the estate of Marcellino M. Gilmette;

A bill (S. 660) for the relief of Evangelos Karacostas;

A bill (S. 661) for the relief of John Kelley;

A bill (S. 662) for the relief of Bertram Rich;

A bill (S. 663) for the relief of John P. Ryan;

A bill (S. 664) for the relief of Minnie M. Sears;

A bill (S. 665) to credit the account of Everett P. Sheridan;

A bill (S. 666) for the relief of Tom Small; and

A bill (S. 667) for the relief of William E. Jones, Walter M. Marston, William Ellery, Richard P. Hallowell, 2d, and Malcolm Donald as executors under the will of Frank W. Hallowell, and Malcolm Donald as executor under the will of Gordon Donald; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 668) to divest the products of child labor of their interstate character and to prohibit the interstate transportation of such products in certain cases, and for other purposes; to the Committee on the Judiciary.

A bill (S. 669) granting a pension to Mary A. Beck; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 670) authorizing an appropriation for payment to the Osage Tribe of Indians on account of their lands sold by the United States; to the Committee on Indian Affairs.

By Mr. REYNOLDS:

A bill (S. 671) to amend an act entitled "An act to provide for vocational rehabilitation of disabled residents of the District of Columbia, and for other purposes" (Public, No. 801, 70th Cong.); to the Committee on the District of Columbia.

By Mr. COPELAND:

A bill (S. 672) to authorize the coinage of 50-cent silver pieces in commemoration of the one hundred and fiftieth anniversary of the adoption of the Constitution of the United States; to the Committee on Banking and Currency.

A bill (S. 673) for the relief of S. T. Dickinson;

A bill (S. 674) for the relief of the heirs of Edward P. Frank, deceased;

A bill (S. 675) for the relief of the Sachs Mercantile Co., Inc.;

A bill (S. 676) for the relief of Heinrich Schmidt, G. m. b. H., of Flensburg, Germany;

A bill (S. 677) for the relief of the Telescope Folding Furniture Co., Inc.; and

A bill (S. 678) for the relief of James M. Winter; to the Committee on Claims.

A bill (S. 679) to extend the provisions of the Civil Service Act, as amended, to certain persons in the judicial service of the United States, and for other purposes; to the Committee on Civil Service.

A bill (S. 680) to provide for the extension of the admiralty jurisdiction and for a remedy; and

(By request.) A bill (S. 681) to amend Revised Statute 4131 (46 U. S. C. 221), and for other purposes; to the Committee on Commerce.

A bill (S. 682) to provide for cooperation with the States in the promotion of conservation education in the public elementary schools, high schools, colleges, and universities; to provide for cooperation with the States in the preparation of teachers, supervisors, and directors of conservation subjects on the natural resources; and to appropriate money and regulate its expenditure; to the Committee on Education and Labor.

A bill (S. 683) to amend section 24 of the Immigration Act of 1917, relating to the compensation of certain Immigration and Naturalization Service employees, and for other purposes; to the Committee on Immigration.

A bill (S. 684) for the relief of the city of New York; and

A bill (S. 685) to incorporate the American National Institute (Prix de Paris) at Paris, France; to the Committee on the Judiciary.

A bill (S. 686) for the relief of Anthony J. Constantino; and

A bill (S. 687) authorizing the Secretary of War to bestow the Silver Star upon Michael J. Quinn; to the Committee on Military Affairs.

A bill (S. 688) for the relief of Victor Oscar Gokey;

A bill (S. 689) for the relief of Raymond Nelson Hickman; and

A bill (S. 690) for the relief of James Francis Moore; to the Committee on Naval Affairs.

A bill (S. 691) granting a pension to Libbie T. Marrah;

A bill (S. 692) granting a pension to Anna L. Sweeney;

A bill (S. 693) granting a pension to Anna Wood; and

A bill (S. 694) granting double pension by reason of injury or disease to officers and enlisted men, and to their widows and dependents, whose death was due to service in line of duty; to the Committee on Pensions.

A bill (S. 695) to provide for the creation of the Saratoga National Historical Park in the State of New York, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. DAVIS:

A bill (S. 696) granting a pension to John Vandever; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 697) for the relief of Annie Mae Carter (with an accompanying paper); and

A bill (S. 698) for the relief of Dr. R. N. Harwood; to the Committee on Claims.

By Mr. VAN NUYS:

A bill (S. 699) for the relief of Percy Head; to the Committee on Claims.

By Mr. TRUMAN:

A bill (S. 700) for the relief of Joseph J. McMahon; to the Committee on Military Affairs.

By Mr. BLACK:

A bill (S. 701) to aid the several States in making certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes; to the Committee on Commerce.

By Mr. BARKLEY:

A bill (S. 702) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes; to the Committee on Commerce.

By Mr. TYDINGS:

A bill (S. 703) for the relief of John T. Armstrong; and

A bill (S. 704) for the relief of the Baker-Whiteley Coal Co.; to the Committee on Claims.

A bill (S. 705) for the relief of the leader of the Naval Academy Band; to the Committee on Naval Affairs.

By Mr. SCHWELLENBACH:

A bill (S. 706) for the relief of the Lake Chelan reclamation district; and

A bill (S. 707) for the relief of Lucille McClure; to the Committee on Claims.

By Mr. KING:

A bill (S. 708) granting an increase of compensation to William B. Lancaster; to the Committee on Claims.

A bill (S. 709) to amend the act entitled "An act to incorporate the National Education Association of the United States", approved June 30, 1906, as amended; to the Committee on the Judiciary.

A bill (S. 710) granting a pension to Brigham F. Duffin; to the Committee on Pensions.

(By request.) A bill (S. 711) to amend an act entitled "An act to establish a code of law for the District of Columbia", approved March 3, 1901, as amended, and particularly sections 863, 911, and 914 of the said code; to the Committee on the District of Columbia.

By Mr. MOORE:

A bill (S. 712) to authorize the coinage of 50-cent pieces in commemoration of the one hundred and sixtieth anniversary of the arrival of General Washington and the Continental Army at Morristown, N. J., after their inspiring victories at Trenton and Princeton, and the establishment of cantonments in Morristown for the duration of the war; to the Committee on Banking and Currency.

A bill (S. 713) to provide an appropriation for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosion at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926; to the Committee on Claims.

A bill (S. 714) relating to the eligibility of certain persons for admission to the civil service; to the Committee on Civil Service.

A bill (S. 715) to extend the time for completing the construction of a bridge across the Delaware River near Trenton, N. J.; to the Committee on Commerce.

A bill (S. 716) to provide for the establishment of one infantry battalion of Negro troops as a part of the National Guard of the State of New Jersey;

A bill (S. 717) to lease an unused portion, useless for military purposes, of the Fort Hancock Military Reservation to the State of New Jersey for a public aquatic park and pleasure ground for the benefit and enjoyment of the people of the United States; to the Committee on Military Affairs.

By Mr. LONERGAN:

A bill (S. 718) for the relief of the East Coast Ship & Yacht Corporation of Noank, Conn.; to the Committee on Claims.

A bill (S. 719) for the allowance of certain claims for extra labor above the legal day of 8 hours performed by engineers, firemen, laborers, and mechanics while employed in the care of public buildings of the United States outside the District of Columbia certified by the Court of Claims; to the Committee on Education and Labor.

A bill (S. 720) to authorize the acquisition of land for military purposes at Fort Ethan Allen, Vt.; to the Committee on Military Affairs.

(Mr. BORAH introduced Senate bill 721, which was referred to the Committee on the Judiciary, and appears in full under a separate heading.)

By Mr. WHEELER:

A joint resolution (S. J. Res. 31) making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases including grasshoppers and Mormon crickets; to the Committee on Agriculture and Forestry.

By Mr. COPELAND:

A joint resolution (S. J. Res. 32) to provide a medium for the adjudication of the remaining claims of American nationals against the Government of Germany, contemplated under the terms of the Treaty of Berlin, dated August 25, 1921; to the Committee on Foreign Relations.

A joint resolution (S. J. Res. 33) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A joint resolution (S. J. Res. 34) proposing an amendment to the Constitution of the United States relating to intoxicating liquors; and

A joint resolution (S. J. Res. 35) proposing an amendment to the Constitution of the United States relating to intoxicating liquors; to the Committee on the Judiciary.

(Mr. TYDINGS introduced Senate Joint Resolution 36, which was referred to the Committee on Appropriations, and appears under a separate heading.)

By Mr. VAN NUYS:

A joint resolution (S. J. Res. 37) authorizing the President of the United States of America to proclaim October 11, 1937, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. BULKLEY:

A joint resolution (S. J. Res. 38) to extend for a period of 3 years the guarantee by the United States of debentures issued by the Federal Housing Administrator; to the Committee on Banking and Currency.

LICENSING OF INTERSTATE CORPORATIONS

Mr. BORAH. I introduce a bill for reference to the Committee on the Judiciary, and ask that it be printed in the RECORD.

The VICE PRESIDENT. The bill will be received, printed in the RECORD, and referred as requested by the Senator from Idaho.

The bill (S. 721) to provide for the licensing of corporations engaged in interstate or foreign commerce, and for other purposes, was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

A bill to provide for the licensing of corporations engaged in interstate or foreign commerce, and for other purposes

Be it enacted, etc., That this act may be cited as the "Corporation Licensing Act of 1937."

LICENSE REQUIRED FOR INTERSTATE OR FOREIGN BUSINESS

SEC. 2. On and after — days from the date of enactment of this act, it shall be unlawful for any corporation (except a bank, a common carrier subject to the Interstate Commerce Act, as amended, a common carrier or, insofar as engaged in radio broadcasting, a licensee, subject to the Communications Act of 1934, a China Trade Act corporation, or a corporation the majority of the stock of which is held by the United States or any agency or instrumentality thereof or corporations engaged in publishing newspapers, magazines, or books) organized under the laws of the United States or the District of Columbia, or of any State, Territory, or possession of the United States, or of any foreign country, to engage directly or indirectly in interstate or foreign commerce, without first having obtained a license therefor from the Federal Trade Commission (hereinafter referred to as the "Commission"); and for the purposes of this act, a corporation shall be deemed to be engaged in interstate or foreign commerce if it holds control (through stock ownership, a voting trust or trusts, a holding company or companies, or any other direct or indirect means) of a corporation engaged in interstate or foreign commerce, or of two or more corporations, any one of which is engaged in interstate or foreign commerce. As used in this act, the term "interstate or foreign commerce" means commerce between any place in a State, Territory, or possession of the United States, or the District of Columbia, and any place outside thereof; or between points within the same State or within the District of Columbia, but through any place outside thereof.

ISSUANCE OF LICENSES

SEC. 3. (a) Before any license shall be issued under this act the applicant corporation shall file with the Commission a sworn statement with respect to its operations, which shall include information concerning its organization and financial structure, the character of its transactions in interstate or foreign commerce, the terms, position, rights, and privileges of the different classes of its securities outstanding, the terms on which its securities have been offered to the public or otherwise, the property taken by the corporation at the time of its organization and the consideration paid therefor in money or otherwise, its bonded indebtedness and the interests of the promoters therein, the personnel and salaries of its management, its charter and bylaws, the number and local distribution of its stockholders, contracts made with promoters and with financial interests with respect to the organization of the corporation, management, and service contracts, special legislation relating to the corporation, its profits and losses for not more than the —— preceding fiscal years, and such further information with respect to the operations of the corporation as the Commission may, by regulation, require as necessary or appropriate in the public interest or for the protection of investors.

(b) Application for such licenses shall be made, and the licenses shall be issued, in such manner as the Commission shall, by regulation prescribe. Each such license shall contain such terms and conditions as the Commission shall prescribe as necessary or appropriate to carry out the purposes of this Act, shall be effective from the date specified therein, and shall continue in effect until suspended or revoked.

(c) The Commission shall by order deny the application for a license of any applicant corporation which fails to comply with the provisions of subsection (a) of this section, or if the Commission finds that the applicant corporation is an unlawful trust or combination in violation of the antitrust laws as designated in section 1 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, that it is a party to any contract, combination in the form of trust, or otherwise, or conspiracy in restraint of trade or commerce in violation of such laws, or that it is monopolizing, or attempting to monopolize, or combining or conspiring with any other person to monopolize, any part of such trade or commerce.

REVOCATION OF LICENSES

SEC. 4. After appropriate opportunity for notice and hearing, the Commission is authorized by order to suspend or revoke any such license if it finds that the corporation to which the license was issued has violated any provision of this act or any rule, regulation, or order of the Commission made thereunder; and the Commission shall revoke the license of any corporation which has been finally adjudged guilty by a Federal court in any proceeding, civil or criminal, of a violation of the antitrust laws.

REPORTS AND EXAMINATIONS

SEC. 5. (a) Each corporation which obtains a license under this act shall make an annual report to the Commission, certified if required by the rules and regulations of the Commission by independent public accountants, which shall contain such information with respect to the organization, capitalization, properties, earnings, profits, dividends, and business methods of the corporation, as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors. Each such corporation shall also make such special reports, similarly certified, as the Commission shall from time to time require for the purpose of keeping itself informed with respect to the operations of the corporation, and in the event that any such corporation shall increase its capital or issue any bonds, notes, debentures, or similar obligations it shall submit a statement with respect thereto to the Commission. The Commission may prescribe, in regard to reports and statements made pursuant to this section, the form or forms in which the required information shall be set forth, the items or details to be shown in the balance sheet and the earning statement, and the methods to be followed in the preparation of reports, in the appraisal or valuation of assets and liabilities, in the determination of depreciation and depletion, in the differentiation of recurring and nonrecurring income, in the differentiation of investment and operating income, and in the preparation, where the Commission deems it necessary or desirable, of separate and/or consolidated balance sheets or income accounts of any person directly or indirectly controlling or controlled by the corporation, or any person under direct or indirect common control with the corporation; but in the case of the reports and statements of any corporation whose methods of accounting are prescribed, or whose securities are registered, under the provisions of any law of the United States, or any rule or regulation thereunder, the rules and regulations of the Commission with respect to such reports and statements shall not be inconsistent with the requirements imposed by such law or rule or regulation in respect of the same subject matter.

(b) The Commission is further authorized to provide for periodical or special examinations of the corporations which obtain licenses under this act and to establish a schedule of reasonable fees for such examinations and for the issuance of licenses under this act. All such fees shall be collected by the Commission in such manner as it may direct, and the amount of all fees so collected shall be covered into the Treasury as miscellaneous receipts.

INVESTIGATIONS

SEC. 6. (a) The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated or is about to violate any provision of this act or any rule or regulation thereunder, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the Commission shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Commission is authorized, in its discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which it may deem necessary or proper to aid in the enforcement of the provisions of this act, in the prescribing of rules and regulations thereunder, or in securing information to serve as a basis for recommending further legislation concerning the matters to which this act relates.

(b) For the purpose of any such investigation, or any other proceeding under this act, any member of the Commission or any officer designated by it is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor, and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than 1 year, or both.

(d) No person shall be excused from attending and testifying or from producing books, papers, contracts, agreements, and other records and documents before the Commission, or in obedience of the subpena of the Commission or any member thereof or any officer designated by it, or in any cause or proceeding instituted by the Commission under this act, 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 subject 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.

INJUNCTIONS AND PROSECUTION OF OFFENSES

SEC. 7. (a) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this act, or of any rule or regulation thereunder, it may in its discretion bring an action in the proper district court of the United States, the District Court of the United States for the District of Columbia, or the United States courts of any Territory or other place subject to the jurisdiction of the United States to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this act.

(b) Upon application of the Commission the district courts of the United States, the District Court of the United States for the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this act or any order of the Commission made in pursuance thereof.

COURT REVIEW OF ORDERS

SEC. 8. (a) Any person aggrieved by an order issued by the Commission in a proceeding under this act to which such person is a party (except an order under section 4 revoking a license for violation of the antitrust laws) may obtain a review of such order in the Circuit Court of Appeals of the United States, within any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within 60 days after the entry of such order, a written petition praying that the order of the Commission be modified or set aside in whole or in part. A copy of such petition shall be forthwith served upon any member of the Commission, and thereupon the Commission shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, and enforce or set aside such order, in whole or in part. No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission. The finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court affirming, modifying, and enforcing or setting aside, in whole or in part, any such order of the Commission, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

(b) The commencement of proceedings under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

JURISDICTION OF OFFENSES AND SUITS

SEC. 9. The district courts of the United States, the District Court of the United States for the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have exclusive jurisdiction of violations of this act or the rules and regulations thereunder, and of all suits in equity and actions at law brought to enforce any liability or duty created by this act or the rules and regulations thereunder. Any criminal proceeding may be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce any liability or duty created by this act or rules and regulations thereunder, or to enjoin any violation of such act or rules and regulations, may be brought in any such district or in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 225 and 347). No costs shall be assessed for or against the Commission in any proceeding under this title brought by or against it in any such court.

RULES AND REGULATIONS

SEC. 10. The Commission is authorized to prescribe such rules and regulations and to issue such orders as may be necessary to carry out the provisions of this act.

PENALTIES

SEC. 11. Any corporation subject to this act, or any officer, director, agent, or employee thereof, that willfully violates any provision of this act shall, upon conviction thereof, be fined not more than $ or imprisoned not more than years, or both, and each day that any such violation continues shall be deemed a separate offense.

SEPARABILITY OF PROVISIONS

SEC. 12. If any provision 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 provisions to other persons or circumstances, shall not be affected thereby.

RESERVATION OF RIGHT TO ALTER, AMEND, OR REPEAL

SEC. 13. The right to alter, amend, or repeal this act is hereby expressly reserved.

CHANGE OF REFERENCE

On motion of Mr. TYDINGS, the Committee on Claims was discharged from the further consideration of the joint resolution (S. J. Res. 16) to provide for the investigation of losses suffered by certain persons as a result of the taking of lands for military purposes, and it was referred to the Committee on Military Affairs.

HEARINGS BEFORE THE COMMITTEE ON TERRITORIES AND INSULAR AFFAIRS

Mr. TYDINGS submitted the following resolution (S. Res. 59), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Territories and Insular Affairs, or any subcommittee thereof, is authorized during the Seventy-fifth 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 on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

REORGANIZATION OF GOVERNMENT—ADDRESS BY SENATOR BYRD

[Mr. GLASS asked and obtained leave to have printed in the RECORD a radio address delivered by Senator BYRD on the subject of the reorganization of the Government, which appears in the Appendix.]

NEUTRALITY AND PEACE—ARTICLE BY SENATOR CLARK

[Mr. NYE asked and obtained leave to have printed in the RECORD an article by Senator CLARK on the subject of peace and neutrality, published in the Washington Star of Sunday, Jan. 10, 1937, which appears in the Appendix.]

PRE-ELECTION ADDRESS BY HON. JAMES A. FARLEY

[Mr. NEELY asked and obtained leave to have printed in the RECORD a radio address by Hon. James A. Farley, chairman of the Democratic National Committee, delivered on Monday, Nov. 2, 1936, which appears in the Appendix.]

BALANCING THE BUDGET

Mr. TYDINGS. Mr. President, at the last session of the Congress I introduced a joint resolution having for its purpose an automatically balanced budget. It was not feasible to press its consideration at that time due to emergency legislation then pending. I am hopeful that the Appropriations Committee may find time to consider the joint resolution at the present session of Congress.

Briefly, I may state, the joint resolution supplements the present Budget law. It would provide that the President of the United States, immediately upon the convening of each Congress, shall submit a budget, which budget shall show the amount of money which is recommended to be allocated to each executive department, independent commission, board, bureau, office, or agency, or other establishment of the Federal Government. When that was done the Congress could reduce or increase the amount of money allocated to any governmental department, but if it should increase the amount of money allocated to any governmental department it would have to decrease correspondingly the appropriation for some other department or departments by a like amount so that expenditures would be within the income of the Government. In other words, the President would estimate the entire income of the Government and such income would be allocated by him according to his consideration of what each department should have. The Congress could change these figures, but it could not allocate in toto more money than the estimated income of the Government.

However, it might want to appropriate more money than would be represented by the Government's income. In that event, were the Congress to provide more money for all appropriations than the estimated income, the Congress would have to provide additional income in one of two ways: First, it could, of course, provide extra money by additional taxation. If it did not want to do that because of difficult times or inadvisability for one reason or another, it could authorize the Secretary of the Treasury to borrow the extra money, in which event it would have to provide the means of paying off the borrowed money within a period of 15 years after the loan was contracted, so that each measure authorizing the borrowing of additional money would carry with it the means of amortizing the loan.

This policy is in effect in some of the States of the Union. It is significant to note that the States where it is in effect are in a very fine financial condition as compared with those States which have no budgetary checks and balances in reference to income and appropriation.

In brief, the joint resolution provides that when the Government income is ascertained or estimated as accurately as it can be, it shall be allocated to the various departments of the Government.

There would be a sharp debate, it occurs to me, as to whether the Military Establishment should have more money than was recommended or less money, or whether the Department of Agriculture should have more money or less money. In the event it was felt that the Department of Agriculture should have more money than was allocated to it, then the Congress would be put upon its mettle to take that appropriation from the Military or Naval Establishment or some other department of the Government so that expenses and income would be in balance. In the event, however, that more money should be appropriated than was available from the income of Government, Congress would have to provide the extra money through additional taxation or, if it authorized the Treasury Department to borrow the additional money, it would have to provide the means of liquidating the loan. I cannot conceive of any case where there would be an emergency so great that the plan would not work. Certainly it would have worked in the case of all measures which we have enacted during the last 4 years.

At present there is no consideration of the amount of money spent by one department in relation to the money spent by another department. Each department's appropriation bill is considered separately. No effort is made to determine whether the War Department should get 2 percent or 8 percent or 20 percent of the governmental income, or whether the Department of Agriculture should get 2 or 8 or 10 percent.

An individual having an income ascertains how much he will spend for essentials and how much he will spend for things above what he may call essentials; but in the case of the Government the Congress takes up each appropriation bill separately without any consideration as to whether a large percentage of the Government's income or a small percentage is being provided for a particular department.

It seems to me the whole governmental picture should be considered at one time, that we ought to pass the Budget in toto, so to speak, after debate as to whether or not large or small sums should be given to any one department.

As stated, if this plan should be adopted, it would mean that there would be a consideration of the whole governmental problem, each department taking its relative position, and we would not consider just one department at a time, which invariably leads to deficits and makes deficiency appropriations always necessary.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Arkansas?

Mr. TYDINGS. I yield.

Mr. ROBINSON. The Senator is discussing a very interesting and important subject. I should like to ask whether the joint resolution proposes to restrict the power of the Budget authorities so that they shall not suggest or recommend appropriations in excess of the total estimated revenues?

Mr. TYDINGS. I shall be glad to answer the Senator's question. It does not. The Budget authorities would submit to Congress what they conceive the estimated revenue to be, on the one hand. They would then recommend how that total revenue should be expended. If, then, additional projects were recommended by the Budget authorities or the Executive, they could suggest how the necessary additional revenue should be raised. The Congress could take it or leave it.

Does that answer the Senator's question?

Mr. ROBINSON. Yes. Then if the Congress should see fit to make a different allocation within the aggregate of the revenue from that recommended by the Budget authorities, that action could be taken without limitation?

Mr. TYDINGS. That is correct.

Mr. ROBINSON. In other words, the Congress would have the power to make notable increases as to some of the departments or agencies, and correspondingly notable decreases as to others?

Mr. TYDINGS. That is correct.

Mr. ROBINSON. But if it made such different allocations from those suggested by the Budget as to require additional revenues, it must then find the means of supplying the funds necessary to meet the additional allocations?

Mr. TYDINGS. That is true; either by immediate taxation or by ultimate taxation.

Mr. ROBINSON. So that under the plan the Senator advances, he would expect that the Budget would be in constant and continuous balance after the plan was once inaugurated?

Mr. TYDINGS. That is true.

Mr. ROBINSON. Congress could either increase the taxes, levy new taxes, or authorize loans; but at no time would the appropriations be made without consideration of the means for meeting the expenditures?

Mr. TYDINGS. That is true. I thank the Senator for his concise contribution.

Mr. BYRNES and other Senators addressed the Chair.

Mr. TYDINGS. Before I yield again, let me point out one thing which perhaps is not sufficiently stressed.

In a period, we will assume, of great agricultural emergency there might be an enormous sum of money expended on the Army and Navy. Of course, if we should take the revenues of the Government and expend them on the Army and Navy to a large extent we should not have available the money necessary to take care of an agricultural emergency. It strikes me, therefore, that instead of considering the military bill and the agricultural bill and the Treasury bill as separate measures, the whole fabric of the Government income and expenditures ought to be considered at one time, so that there would be some relative consideration as to whether $2 should be spent for the Army and Navy and $1 for agriculture, or $2 for agriculture and $1 for the Army and Navy. I think we get into serious difficulty by looking only at one phase of the Government's activities at one time, rather than the entire governmental picture.

Mr. BYRNES and Mr. BORAH addressed the Chair.

The VICE PRESIDENT. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield first to the Senator from South Carolina. Then I will yield to the Senator from Idaho.

Mr. BYRNES. Mr. President, let me ask the Senator a question.

Under existing law the Executive is charged with the duty of doing what the Senator has in mind. After investigation and consideration of the needs of the departments, as urged by them, the Executive must determine the amount that will be asked of the Congress for the various departments.

Mr. TYDINGS. That is true.

Mr. BYRNES. Does the Senator now propose that instead of the Executive determining the amount—or the percentage, if we choose to calculate it in percentages—the Congress shall do that instead of the Executive?

Mr. TYDINGS. The Executive only recommends. Under the proposed plan the Congress may depart from his recommendations in any way it wishes; but it must adopt the budget before separate appropriation bills are passed upon, and in that case it is bound not to exceed in its appropriations for all purposes the total amount of the budget.

Mr. BYRNES. Let us assume that the Executive submitted this week a budget representing the considered opinion of the Executive as to the needs of the various departments. Is it the plan of the Senator from Maryland that the Congress, taking that budget, would determine that a certain amount should be designated as the total amount of expenditures by the Congress, after considering the requests presented through the President?

Mr. TYDINGS. That is correct.

Mr. BYRNES. How could the Congress do that until the various committees had gone into a study of the needs of the departments as presented by the President?

Mr. TYDINGS. The President's budget would contain a recommended appropriation for each department.

Mr. BYRNES. And a total of all.

Mr. TYDINGS. And a total of all. It is my thought that the Budget would be automatically referred to the Committee on Appropriations, and the main duty of that committee would be to see what proportion of the total income was to be allocated to each of the departments.

Mr. BYRNES. The Senator from Maryland is a member of the Appropriations Committee. I desire to ask him how the Appropriations Committee could intelligently determine what proportion of the total income should be allocated to each of the departments until they had hearings upon the various bills, in order to determine the relative importance of the various proposals? That is the question to which I wish to get an answer. Should we not still have to go through hearings by the respective subcommittees in order to determine the relative importance of the requests?

Mr. TYDINGS. No; I do not think so.

Mr. BYRNES. Otherwise, we should be acting without full information.

Mr. TYDINGS. I do not think that is accurate, for the reason that there are certain routine, fixed expenses in every department. They are pretty general, and have been general over a long period of years. They may be called routine expenditures which the committee would quickly recognize. There would be no novelty, no increase or decrease, in a routine expenditure. Then, added to that, for each department would be the new ventures upon which it hoped to embark; so that the only real consideration at that particular time would be as to how many of the new ventures would fit into the estimated income of the Government.

Let me point out the fallacy of the present system. When we get the appropriation bill for the Army or for the Department of Agriculture, or for any other Government agency, we consider it without any reference to any other department of the Government. The Naval Affairs Committee may make recommendations for certain naval increases; the Committee on Agriculture and Forestry may make recommendations for certain agricultural increases, and what do we do? Do we compute how much money we have to spend on these items? No; we consider them absolutely separately, without any reference to the merit of the claims of one department or another.

Mr. BYRNES. The Senator refers to the necessity of considering new ventures. Is it not a fact that no new ventures would be included in any of the estimates for the appropriation bills unless for such new ventures there were authority of law, which means an act of the Congress?

Mr. TYDINGS. I think I see the Senator's point, which at first escaped me. His point is, how could the Appropriations Committee know how much it was going to recommend for the Army and Navy when the whole Budget was submitted to it? It is my thought that no bill would be definitely passed until all of the bills were investigated, exactly as they are now investigated, and therefore we should have a composite picture of the whole situation when the Budget was adopted.

Mr. BYRNES. Let me ask the Senator another question, because it is my belief that there can be no intelligent determination of a total amount until the various subcommittees of the Appropriations Committee have gone into the various bills.

Mr. TYDINGS. Granted.

Mr. BYRNES. As a matter of fact, the full Committee on Appropriations in each House must pass upon each of the bills; and upon that committee there sit the members of the Army subcommittee and the naval subcommittee, who must give consideration to the entire picture.

Mr. TYDINGS. I agree with the Senator; but what I am pointing out is that those subcommittees could meet just as they now meet, the separate bills could be approved just as they are now approved, but no one of them could be passed until they fitted into an entire national picture. There would not be any place where there would be a lack of consideration.

Mr. BYRNES. I shall interrupt the Senator but one moment more.

Mr. TYDINGS. I only wish to answer the Senator's question; that is all.

Mr. BYRNES. As to the new ventures, is it the Senator's idea that as to any subsequent legislation enacted by the Congress there should be carried automatically provision for revenue? To illustrate what I mean: If, for instance, a drought should develop in the West, demanding a large appropriation, and the Congress by the passage of a bill should authorize an appropriation of $300,000,000 to relieve such a drought condition, is it the Senator's idea that the bill should carry the revenue for that expenditure?

Mr. TYDINGS. First of all, if it were put into the main Budget bill, it would be necessary to reduce the appropriation for the other departments sufficiently to make up the $300,000,000. If we are to appropriate $300,000,000 that we do not have, for which the estimated income of the Government will not furnish sufficient money, then if we authorize the money to be borrowed, we ought at the same time to provide the means for liquidating the $300,000,000 over a period of not more than 15 years.

Mr. BYRNES. That is what I am asking the Senator. Assuming that we have ascertained the revenue and have apportioned it to the various regular departments of the

Government, and thereafter the Congress determines upon an additional expenditure—illustrating it by the suggested drought expenditure—we should then, as we have provided for an allotment of the regular revenue, provide the additional revenue. If that be so, and if for every additional expenditure there must be provision for raising additional revenue, exactly how would the Senator provide for it?

Mr. TYDINGS. The Senator has not a clear conception of what I attempted to say in the first part of my remarks.

Mr. BYRNES. I am sorry that is the case.

Mr. TYDINGS. Let us suppose there were 10 measures calling for extra appropriations, and the aggregate of them should amount to $500,000,000. In that case we should have to provide taxes equal to $500,000,000 to pay off the amount immediately; or, if the $500,000,000 were borrowed, we should have to provide taxes which would pay off the amount over a period of 15 years. We should not, however, have additional taxes carried in each of the separate 10 items of appropriation.

Mr. BYRNES. That is what I wanted the Senator to say. Then at the conclusion of a session, when all additional expenditures have been determined, a revenue bill must be introduced to provide the necessary amount, or authority must be given to borrow?

Mr. TYDINGS. The Senator is correct.

Mr. ADAMS and Mr. BARKLEY addressed the Chair.

The VICE PRESIDENT. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I think the Senator from Colorado rose first. I yield to him, after which I shall be glad to yield to the Senator from Kentucky.

Mr. ADAMS. Mr. President, I desire to ask the Senator from Maryland to make clear the coordination between the House and the Senate in appropriation bills under his plan. As we know, appropriation bills must originate in the House of Representatives.

Mr. TYDINGS. That is true.

Mr. ADAMS. I desire to know what the function of the Senate would be, and how far the Senate Appropriations Committee and the Senate as a body would be limited, under the Senator's plan, in their independence of action.

Mr. TYDINGS. The Senate would have all the rights it now has. The House would have all the rights it now has. The House would act first, and when its Budget was adopted the Budget would come to us for approval. We could enlarge it or decrease it, but if we enlarged it we should have to appropriate additional sums. Obviously, however, if we did enlarge it, the enlargement would not be good until the House concurred in the increased appropriation.

Mr. ADAMS. That is, the Budget would be a separate measure?

Mr. TYDINGS. The Budget would be a separate measure, and the fabric of the Government would be considered as a whole. We would take the estimated income and allocate it among the different departments according to merit, whereas now there is absolutely no relationship between how much is appropriated for the Army and how much is appropriated for agriculture and how much is appropriated for relief and how much is appropriated for the Navy. The net result is that when we reach the end of each session, we find a large deficiency created, without any thought of where the money is to come from, and our usual procedure is then to authorize that the excess be borrowed without any thought of how the debt will be paid.

Mr. BARKLEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Kentucky?

Mr. TYDINGS. I yield.

Mr. BARKLEY. Is there any real or necessary relationship between the amount the Army may need and the amount agriculture may need?

Mr. TYDINGS. Certainly.

Mr. BARKLEY. How can that relationship be determined?

Mr. TYDINGS. Let me ask the Senator is there any real relationship in this own personal budget between the amount he provides for rent, for food, and for clothing and the sums he may expend for the purchase of a Victrola or an automobile? Naturally he is going to take care of the essentials first and find out how much he has over for trimmings.

Mr. BARKLEY. The relationship between the various items of my personal expenditures, of course, depends upon my income and my credit.

Mr. TYDINGS. Of course, no personal reference was intended.

Mr. BARKLEY. I understand; the Senator's question is apropos.

I do not see how we can determine the needs for the Army by determining first the needs of the farmer, or vice versa. I do not see how we can determine how much of a Navy we ought to have by first deciding how much the Bureau of Forestry ought to get for the purpose of reforestation, or how much ought to be appropriated for soil erosion, or for relief, or for rivers and harbors, or for anything else.

Mr. TYDINGS. Mr. President, I do not believe the Senator understood me accurately in regard to that matter. I do not mean to say that the amount of assistance given to agriculture will determine how large our Navy or Army ought to be. What I am saying is that we have so much money to spend, and we are sent here to spend it as wisely as we can in keeping with the requirements of the people and the Nation as a whole, and under the present system no thought is given to the relationship between the amount of money spent for one purpose and the amount of money spent for another purpose.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. TYDINGS. I yield to the Senator.

Mr. BARKLEY. If I understand the Senator's plan, it contemplates one omnibus appropriation bill, brought in, first, by the Committee on Appropriations of the House, though not necessarily, because there is no law that requires that appropriation bills originate in the House. It is customary, and it is done, but they are not on the same basis with revenue bills, which must originate in the House. But in order to coordinate all the expenses and the amounts to be allocated to the various departments would it not be necessary to have a single omnibus appropriation bill, in which would be allocated to each department the amount to which the Committee on Appropriations decided it was entitled?

Mr. TYDINGS. That is true.

Mr. BARKLEY. And if the amount provided in the bill went beyond the estimated revenues—which are always estimated and never absolutely certain—no matter what the emergency might be, or what the status of the session might be, that appropriation bill, if the amount carried in it exceeded the estimated income for the year, would have to be laid on a shelf until the process of imposing new taxes was initiated in the House, or a bond issue was made to cover the amount.

Mr. TYDINGS. The Senator was not in the Chamber, I believe, when I explained the matter in beginning my remarks, and, because many other Senators are on the floor now who were not here then, I shall take just a moment to go over what I said at the beginning.

Mr. BARKLEY. I am sorry I was not here when the Senator began his remarks; I was delayed.

Mr. TYDINGS. The Budget estimates show the estimated revenues for any particular year. Under the proposed plan the President would allocate the estimated revenues to all the departments, just as he does now. There would be no change in that. The President would say, "We are going to take in so much, and I recommend that it be expended in the following way." The recommendation would come to the Congress. I do not desire to go into all the details as to how it would be considered; I am merely summarizing. The recommendation would come to the Congress, and the Congress could reduce the amount the President had recommended for any department. That is easy. But it could not increase the amount he recommended for any department without taking from other departments a sufficient sum to make up for the increase to any particular department.

Mr. BARKLEY. In that case then, if an appropriation bill came to the Senate from the House and were reported by the committee—and, if I am assuming correctly, under the Senator's plan it would have to be a single omnibus appropriation bill instead of having a separate appropriation for each department——

Mr. TYDINGS. That is correct.

Mr. BARKLEY. That omnibus appropriation bill would come to the Senate. Let us assume it consumed all of the estimated revenues for that year. Then the only thing left for the Senate Committee on Appropriations, or the Senate itself, would be automatically to rubber-stamp the allocations of the House, or change them in such way as it might see fit. But if making the changes, either in the committee or on the floor of the Senate, involved an increase in the expenditures beyond the estimated revenues, then everything would have to be suspended in midair until we went back to the House in order to provide more taxes, or to secure authorization for a bond issue.

Mr. TYDINGS. That is not correct.

Mr. BARKLEY. How could we deal with it? How could we provide for an increase in taxes on the spur of the moment to take care of an increase in expenditures without going through the necessary legislative process?

Mr. TYDINGS. First of all, the Senate could not increase the expenditures for any department over the estimated revenues without first decreasing the expenditures of some other department or departments in an amount sufficient to make up the increase.

In the event the Senate wished to increase the appropriations beyond the total estimated revenues of the Government, then it should provide the revenue to make up the increase. Otherwise it would be appropriating money, first of all, which it did not have; and, second, which it was not bothering to get, passing on to some succeeding Congress the task of raising the money.

Mr. BARKLEY. This is a practical matter. Of course, the Constitution and the rules of both bodies permit Members to offer amendments. Suppose we had under consideration an appropriation bill which had allocated all the money available to the various departments, the bill came on the floor of the Senate, and some Member of the Senate, exercising his constitutional rights, representing his State, offered an amendment which increased the amount of the appropriation beyond the estimated revenues; then what would happen?

Mr. TYDINGS. Then he would have also to offer, with his amendment, an amendment to cut down some particular appropriation in order to make up the increase.

Mr. BARKLEY. Suppose the Senate were not willing to cut down the other appropriation?

Mr. TYDINGS. Then the increase would not prevail.

Mr. BARKLEY. So that automatically any Senator would be barred from voting for an increase in an appropriation, no matter how great the emergency, because he would be automatically barred from increasing the revenues in order to take care of it?

Mr. TYDINGS. No.

Mr. BARKLEY. We cannot increase the revenues——

Mr. TYDINGS. The Senator asks me a question, and then, before I attempt to answer it, he assumes he knows the answer, so what is the use asking the question? If the Senator desires to debate this matter in his own time, I shall be glad to yield.

Mr. BARKLEY. I do not wish to take the Senator off the floor.

Mr. TYDINGS. The Senator asks me a question; and when I attempt to answer it, he proceeds to state what he assumes to be the correct answer.

Mr. BARKLEY. No; I am trying to make my question a little more understandable, so that the Senator may answer it a little more intelligently.

Mr. TYDINGS. I beg the Senator's pardon.

Mr. BARKLEY. I now yield to the Senator for the answer he contemplated in the beginning.

Mr. TYDINGS. First of all, the Congress ought not to appropriate more money than the estimated revenues of the Government, as a general proposition, without raising new taxes to provide money with which to pay those appropriations, on the one hand; and, if new taxes are inadvisable, then it should authorize the borrowing of the money and make the taxes gentler by providing for repayment over a period of 15 years instead of immediately.

I stick to my premise, that no one ought to seek to have more money appropriated than the estimated revenues of the Government by offering an amendment to any particular appropriation bill, unless he can succeed in decreasing the appropriation for some item which has not merit equal to that which he attempts to insert in the bill by way of increase. In other words, we must cut our cloth to fit the individual to be clothed. That is, the Budget of the United States ought to contemplate the estimated revenues and how those revenues can be wisely spent. Any policy which leaves the door open to promiscuous appropriations without regard to how much may be available for expenditure or where the money is to come from is not good business.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. TYDINGS. I yield.

Mr. BARKLEY. In the instance which I cited, which is not at all fantastic, under the Senator's plan, where the Executive has allocated all of the estimated revenues, and an appropriation bill comes into the Senate from the Committee on Appropriations, and some Senator offers an amendment which would result in exceeding the estimated revenue, what would happen at that stage of the proceedings?

Mr. TYDINGS. The Senator will not allow me to drive home the point that the Senator who offers an amendment to increase an appropriation over and above the revenue must always offer an amendment to reduce the appropriation for some other item in an amount sufficient to make up for the increase.

Let us take a concrete example: We will assume there is an item of $10,000 for new machine guns in the War Department appropriation bill, that branch of the Budget, and that Senators feel that $20,000 ought to be appropriated for cannon, and only $15,000 are appropriated. The amendment of a Senator who so thought would then read: "To strike out '$10,000 for machine guns' and to insert '$5,000', and to strike out '$15,000 for cannon' and to insert '$20,000.'"

The question whether we ought to spend the money for one thing or another is the deciding factor. The Senate then must consider whether it desires to eliminate some item in order to provide for some other item which may be better, in its opinion; but it cannot keep on adding and adding and adding when there is no money in the Federal Treasury to pay for the increases.

Mr. BARKLEY. Suppose the Senate declines to reduce the appropriation?

Mr. TYDINGS. It cannot; under the law it would be automatic.

Mr. BARKLEY. If I offered an amendment to increase an appropriation——

Mr. TYDINGS. It would not be good unless it carried with it provision for a decrease of some other appropriation.

Mr. BARKLEY. Under the Senator's plan, I would have to offer simultaneously an amendment reducing the appropriation for some other department. Suppose the Senate declines to reduce the other appropriation. Then where do I stand?

Mr. TYDINGS. The Senator loses.

Mr. BARKLEY. In other words, I am automatically barred from presenting an emergency matter for the consideration of the Senate.

Mr. TYDINGS. Oh, no; the Senator may present it 50 times. The Senator may vary the amount, but the Senate will be the ultimate arbiter as to whether or not the item the Senator desires to insert is more worthwhile than the item for which he desires to reduce the total appropriation.

Mr. BARKLEY. It seems to me that makes every Member of the Senate an automaton, to be controlled by the Appropriations Committee, and he is even denied the right to offer an amendment, no matter how emergent the need for an appropriation may be.

Mr. TYDINGS. No; Mr. President, that is not true.

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

Mr. TYDINGS. I yield.

Mr. BYRNES. I again direct the attention of the Senator to the question I asked a moment ago. Assume the enactment by the Congress of a law providing for the appropriation of $300,000,000 to relieve drought conditions in the West. The Senator's statement, as I understood it, was that if such an enactment of the Congress were approved by the President, it would be necessary for the Congress before adjournment to provide the necessary revenue to cover the total appropriations. With that in mind, I desire to call the attention of the Senator to the fact that existing law provides, whether the Executive complies with it or not, that with the submission of the Budget, if the estimated receipts for the ensuing fiscal year contained in the Budget on the basis of laws existing at the time of its transmittal, plus the estimated amount in the Treasury at the close of the fiscal year, are less than the estimated expenditures submitted by him in the Budget, the Executive must make recommendation to the Congress for new taxes, loans, or other appropriate action to meet the estimated deficiency; and if it appears that the enactments of the Congress thereafter will create deficiencies, and the President submits to the Congress estimates for deficiency appropriations, he must at the same time submit to the Congress recommendations for revenues to provide the funds to cover such deficiency appropriations or recommend loans for the purpose.

I now ask what change there would be in existing law under the plan proposed by the Senator other than the provision which the Senator says must be made before adjournment. Would he provide that the Congress could not adjourn until it had provided the revenue, or how could we force the action which is really contemplated by the existing law?

Mr. TYDINGS. I will say to the Senator from South Carolina that the point he has just raised is provided for in the joint resolution as presented. It would not change the President's functions at all. If the President should recommend that we appropriate more money than would be available to the Treasury, he would have to suggest a method of providing for it, either through the medium of a loan or through the medium of new taxation. That stays just the same. What I am speaking of is that when the Budget is adopted, and we allocate all our estimated revenues among the various departments, if by reason of some subsequent legislation, more money is appropriated than our estimated revenues, we may authorize that it be borrowed, in which case it will have to be amortized over a period of 15 years so as to make the taxation not burdensome, or we may provide that it shall be paid off by imposing an immediate tax.

Mr. BYRNES. Will the Senator again yield?

Mr. TYDINGS. In just a moment, Mr. President.

What I am first of all trying to make clear to the Senator and to the Senate is that at present in appropriating money for one department no consideration is given to the other departments. How do we prepare the Army bill? How do we prepare the Navy bill? We call on the Navy officials to come before us, and we call on the Army officials to come before us. They tell us their needs, and we give them what we think they ought to have. There is no reference to how much we have to spend for everything the Government does. Only in a remote way is consideration given by the Appropriations Committee at that time to anything except the Navy's needs. We may make the appropriation for the Navy two or three million dollars more than it asks, or even half a billion dollars more.

Mr. BYRNES. Mr. President, I recognize that statement as part of the Senator's general statement. Will the Senator yield further?

Mr. TYDINGS. In just a moment, Mr. President. What I am attempting to do is to provide for consideration of the manner in which the Government's money shall be divided among the different departments in relation to each other.

Mr. BYRNES. I understand the Senator's proposition with respect to that matter, but I wish to ask him a question.

Mr. TYDINGS. I may say that that is the practice in Great Britain.

Mr. BYRNES. I so understand.

Mr. TYDINGS. It is a very wise practice, and results in a great national debate in Great Britain as to whether or not the army or the navy or agriculture or shipping gets more of the national revenue than is its fair share when the various emergencies are considered.

Mr. BYRNES. Let me call the attention of the Senator to what he has just said. He has assumed that we have had the Budget submitted to us, that allotments under it have been made, and that there have been enactments of Congress demanding additional expenditures requiring additional revenue. The President, under existing law, must recommend to the Congress——

Mr. TYDINGS. I have all that in the joint resolution.

Mr. BYRNES. If in certain cases the Congress does not now provide revenues, how can the Congress be forced to do so under the plan proposed by the Senator from Maryland?

Mr. TYDINGS. The proposal is not worth anything unless when it becomes law it is adhered to.

Mr. ROBINSON rose.

Mr. TYDINGS. I should like to make a further statement in the short while remaining. I know the Senator from Arkansas is anxious to have this debate wound up as quickly as possible.

Mr. ROBINSON. No, Mr. President; I did not rise for that purpose.

Mr. TYDINGS. I thought the Senator did.

Mr. ROBINSON. But I did rise for the purpose of submitting another practical question to the Senator. With many of the statements he has made I am in hearty accord. I wish to ask him a question, however. Does he not see the practical difficulty in operating the plan embraced in his joint resolution growing out of the requirement in the Constitution that all bills for raising revenue must originate in the House of Representatives? That, by practice and precedent, has been construed to include tax bills and loans.

With that in mind, assume that the House should pass an omnibus appropriation bill allotting all the revenue, and that the Senate, with the expectation that additional revenues would be provided, should increase the aggregate amount of the omnibus bill substantially, say by half a billion dollars, so as to make it a question of practical importance. Suppose that in the conference the House, being opposed, we assume, to increasing taxes or making a new loan, should resist the Senate amendment; but, in order to prevent a total failure of legislation, suppose there also should happen what we know usually occurs in connection with large appropriation bills—namely, that some compromise should be effected, or an agreement reached, and that the bill should actually appropriate $250,000,000 in excess of the estimated revenues. The proposed joint resolution—and, for that matter, existing legislation—would impose upon someone the obligation of initiating additional legislation to provide the funds required to meet the deficit thus created.

Assuming, however, that there is no power to compel the exercise of the authority to appropriate public money—I think the precedents are to the effect that there is practically no limitation on it, and neither is there any enforceable method of compelling the exercise of what is necessarily a discretion in the legislative branch of the Government—suppose that the House of Representatives should fail to initiate the necessary legislation to provide for the deficit. The Senate could not do it, because the Constitution forbids it to do so. What would result, then, with respect to the Budget? The Budget would again be out of balance by the same old process that is now in vogue.

Mr. TYDINGS. The Senator, I think, overlooks the fact that if the Senate should increase the appropriations by $250,000,000 or $500,000,000, in the plan envisaged the action would not be official until the House should concur in the Senate increase.

Mr. ROBINSON. Mr. President, will the Senator yield further?

Mr. TYDINGS. I yield.

Mr. ROBINSON. Of course I did not overlook that point. I discussed it. I assume that will happen which we all know happens here when we pass almost every important appropriation. Sharp differences exist between the two Houses. The Senate wants an appropriation. The House does not want it. In order to prevent the failure of legislation, conferees agree, and the respective bodies adopt the conference report, and it becomes law. There is no other way of getting an agreement when a difference exists. The Senate thinks the House ought to initiate legislation necessary to provide the additional revenues. The House, however, says, "That is our function; and, notwithstanding the fact that you have added a large amount to this general appropriation bill, and we have agreed to it in order to prevent the failure of legislation, we do not know of any source from which this additional fund properly can be obtained." In any event, I am assuming that no legislation is actually passed on the subject. I simply point out that we are right back where we started, and we have a failure to keep the Budget balanced. There is no way under the Constitution, that I know of, whereby such a condition can be avoided if the Congress appropriates money in excess of the aggregate amount of the revenue.

Mr. TYDINGS. I appreciate the observation made by the Senator from Arkansas, and the way I should like to answer at the moment is that, in considering a plan to try to put, according to my way of seeing it, some order into Government finance, I realize that there are many barriers and obstacles to any plan that may be reduced to paper. It was my thought, however, that if the plan were sound, the obstacles and barriers could be eliminated. One of them has been presented by the Senator from Arkansas in a very pertinent observation; but I still hold to the belief that the plan itself, after proper study, can overcome the obstacles that stand in its way and that the Nation would stand to profit by its adoption.

I do not mean to say that this is the last word. Of course, the committee would find many imperfections in the proposal, and they would propose many changes. I return, however, to the premise that Congress ought not to expend more money than is represented by the receipts of the Government unless it raises new revenue or provides a bond issue with proper amortization requirements. That is what every business in the country does; and the fact that we are the leading and greatest business, the one that handles the most money, is no reason why we should not profit by the excellent business administrations that have been carried on by lesser concerns and interests.

Mr. GLASS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Virginia?

Mr. TYDINGS. I yield.

Mr. GLASS. May I ask the Senator from Maryland what the Budget Bureau is for?

Mr. TYDINGS. The Budget Bureau is to estimate the probable revenues and to allocate them generally among the different departments.

Mr. GLASS. And to determine which are the worthiest items.

Mr. TYDINGS. To determine which are worthy; but I do not want——

Mr. GLASS. It looks as if the Senator wants Congress to go into the budgetary business.

Mr. TYDINGS. I do not want the Budget Bureau to determine for me which are the worthiest items. I do not think they have the right to determine in a democratic form of government which are the worthiest items.

Mr. GLASS. They do not determine the matter. They simply reach a conclusion after investigation and make their recommendations to Congress. It is then for Congress to determine whether their recommendation shall be accepted or rejected.

Mr. TYDINGS. Exactly, and that is what I would still have done, except that I would have the Congress give more thought to relative appropriations and not take them up separately without any regard to whether a third or fourth or fifth of the money used for certain purposes was more needed for some other department or activity.

Mr. GLASS. Is not that exactly what is done? It seems to me that the Appropriations Committee always have in mind a complete view and review of proposed appropriations and the revenue available to meet such appropriations.

Mr. TYDINGS. Under the Senator's guidance the Senate Appropriations Committee, I think, has tried to scrutinize every item, and I am not in any way reflecting on the splendid work the Senator and his committee have done. What I pointed out, however, was that I thought the Senator's labors would be somewhat facilitated if the responsibility were imposed on Congress of not appropriating more money than was available to the Treasury and going about it in a businesslike way.

Mr. GLASS. The Congress does not seem to be adverse to taking the responsibility of appropriating more money than it has.

Mr. TYDINGS. No; but I should like to correct that evil by providing that if the revenue is not available the Congress shall raise the money which it is going to spend.

Mr. CONNALLY. Mr. President——

Mr. TYDINGS. I wish to apologize to the Senator from Texas, because he has risen several times and I have not had an opportunity to yield to him.

Mr. CONNALLY. That is perfectly satisfactory. The Senator from Texas has not much seniority here; he is a very humble Member and is glad to be yielded to under any circumstances.

Mr. TYDINGS. The Senator from Texas makes up in ability whatever he may lack in seniority.

Mr. CONNALLY. I thank the Senator. I have a very high regard for his conceptions of free government and constitutional processes, but I wish to suggest to him that the control of the purse goes right back to the beginnings of parliamentary government. Whenever the Senator makes it harder for Congress to control appropriations he is making it easier for other departments to run the Government.

Mr. TYDINGS. I appreciate what the Senator says.

Mr. CONNALLY. The control of appropriations involves not simply their grant but their refusal, and I should be very reluctant to vote for any sort of a measure which would limit the absolute power of the Congress to appropriate money for any purpose at any time it wants to. I did not vote in the other House many years ago for the so-called Budget bill limiting the right of Congress to appropriate subject to some little bureau which sits in the Treasury Department. One almost has to go there on hands and knees and wear out his vest on the floor in order to get for Congress the right to make an appropriation. I have high regard for the Senator, but I must challenge his philosophy when he seeks to set up more barriers and make it more difficult for the representatives of the people who own the purse to handle the purse anyway they want to handle it. It is one of the glories of democracy that it has the right and power, if it wants to do so, to act as a damned fool [laughter], and if Congress spends more money than it should, the people back home, if they are wise, will retire us.

Mr. TYDINGS. Mr. President, the Senator intimated that under this proposal, if adopted, Congress perhaps could not reduce the appropriations provided for any department. There is nothing in the joint resolution to prevent the Congress from taking all appropriations away from any department without enacting a taxation or any other kind of measure. The only barrier here proposed is that Congress may not appropriate more money than there is in the Treasury without providing how at some time in the future it is going to pay the bill. If that be heresy then, of course, I am guilty of that crime. To me it is just good common sense.

I am not so enthralled with any legislative body as to feel that it has not some imperfections and that certain checks and balances are not good things for it; and I believe that one of those checks and one of those balances is the provision that the Congress ought not willy-nilly to appropriate money without any thought of pay day, because my experience here has been that everybody is more willing to appropriate than to tax; but there must be the "Siamese twins" sometimes somewhere along the road.

Mr. McKELLAR and Mr. ADAMS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield first to the Senator from Tennessee, and then I will yield to the Senator from Colorado.

Mr. McKELLAR. I wish to suggest to the Senator a very practical difficulty, as it seems to me, to carrying out his plan.

Mr. TYDINGS. Let me interrupt the Senator to say now, as I said to our leader, that I do not mean to say that the plan I have drawn will not have to be amended or abridged or, perhaps, rewritten. It would be impossible for me to visualize all the situations which a committee hearing would elicit. I am simply adhering to a plan which would set up a procedure to make appropriations conform to income, on the one hand, with all the picture of the Government's needs being considered, and, if more money should be needed, then to require Congress to provide it either by new taxation immediately or by a loan, which would subsequently be retired.

Mr. McKELLAR. I think the Senator's views about that matter are very important just at this time, but it strikes me that there are a good many practical reasons why his proposal could not be put into force. One of those reasons is that oftentimes, as the Senator knows, a great deal of legislation is enacted just at the close of a session of Congress. A great many bills authorizing appropriations are passed at the last moment, and, sometimes, after the two Houses have agreed on a final adjournment resolution, bills authorizing enormous or very considerable appropriations are passed.

After such appropriations have been authorized it is the duty of the Appropriations Committee to report an appropriation of the money. It seems to me that it would be very difficult under our present system, at any rate, without changing it entirely, to adopt a scheme such as the Senator very learnedly suggests. It seems to me it would be very difficult to do it for the practical reason that in the last days of the session so many new appropriations are authorized that it would be impossible for Congress to take care of them.

Mr. TYDINGS. I realize that objection, but I do not think it is paramount at all. I may say to the Senator I do not like referring to my own State, but we have this system in Maryland: We have a constitutional provision under which the State cannot borrow money for a period of more than 15 years, and when money is borrowed it is necessary to provide the taxes to amortize the loan. We have the budget system for the different departments, and the budget is considered as a whole. As a result, during the depression I think Maryland's credit was higher than that of any other State in the Union, at one time, if not now. The first reason was that we were compelled by law to allocate moneys with relativity with reference to the different departments; and the second reason was that we could not be prodigal and appropriate money without any thought of pay day. There is no difficulty in this proposal at all which the Congress cannot overcome.

I think our present policy of having deficits without any provision as to how they are to be paid could conceivably, if carried over a longer period of years than our recent depression happened to last, bring the country to a very serious crisis, whereas if we had provided in making these huge outlays a gradual system of taxation which would eventually overtake the appropriations and liquidate them, we would have forestalled possible trouble. Who knew that the depression would begin to subside when it did commence to do so? Who could say that it would not run for 20 years? Is there a Senator in this body who will assume for a moment that we could for a period of 20 years have kept the pace we had set at one time? Is it not wise to protect the credit of the Government, to look forward to the day when difficulties which cannot be foreseen shall arise rather than to say, "Oh, well, we got out of the last depression and that old system is good enough"? Who knows, with the condition in which the world is, what the future has in store?

I say it will be a good day when the Congress cannot appropriate more money than is available from the income of the Government without providing the means to make up the excess appropriations either through a bond issue, to be liquidated gradually, or by new taxation levied simultaneously with the excess appropriations.

If a war should break out in Europe tomorrow and sweep over and engulf the whole world, closing down our foreign trade, taking away the markets from our people, and relief should become a necessity or our policy of neutrality should fail, are we to have no checks and no balances at all on governmental finances? Are we to assume, because we are rich and blessed, there is no top and no bottom to the largesses of Congress? No man would agree to that for a moment, for, as the old colored woman told the lawyer, she would pay him $100 as soon as she got out of jail and then forgot to pay it, so it is with people who are in distress; so it is with our country.

Having passed through a depression, do we think one will never come again? It is just as sure to come again as the sun is to rise and set. I care not whether Democrats or Republicans run the Government for the next 100 years, because there are certain forces and events in mankind's experiences which no government can foresee or guard against. The elements themselves may create an unfavorable condition, foreign countries may create such a condition, and the government is wise which runs its business so that, so far as human ingenuity can foresee, no crisis shall arise which it is not prepared to meet.

My thought is that the Government receipts ought to be estimated as a whole and allocated among the respective departments in accordance with the needs of the Nation. If those receipts are not great enough and more money has to be appropriated for emergent items, then either immediate new taxes should be levied to raise the additional amount or, if the money is borrowed, a more gradual system of taxation with which to pay interest and provide amortization should be set up, so that the Government would always be conducting its business on a sound basis, and the needy and the distressed, the agriculturists or labor or industry that might need aid, would always find the Government's credit stable and able to provide it.

This system has been in vogue in my own State for many decades. It has worked admirably. I do not believe any student of finance or economics will say that at present the best business administration surrounds the appropriation of public money. Certainly we appropriate and postpone the day of taxation. Sometime we might postpone it too long when returning conditions of prosperity are too long delayed, and then we would find a capital levy or almost confiscatory taxes our only alternative.

We cannot destroy wealth twice. We can only destroy it once. Therefore it is my thought, now the worst of the depression is behind us and we have emerged from this dark period, that it is the time to put our finances in such shape that when another one shall come we shall be in a stronger position to weather the storm and carry the Government's financial credit and position to a safe harbor.

Mr. ADAMS. Mr. President, I wish to ask a question of the Senator from Maryland if he will permit me.

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Colorado?

Mr. TYDINGS. I shall be glad to yield, although I will say to the Senator from Colorado that I do not wish to transgress further on the time of the Senate because I think the leader on our side has some business he wishes to have transacted.

Mr. ADAMS. The matter is of some very considerable importance. I happen to come also from a State which has in its constitution and in its laws the same fiscal policies that Maryland has adopted. I am familiar with a plan very similar to that which the Senator from Maryland submits in reference to our local State government, our cities, and our counties. They apply the budget system and an estimate of revenues. In the State of Colorado the legislature is limited by constitutional provision to the effect that an appropriation in excess of revenue is void. In other words, in my State we cannot appropriate money validly in excess of income.

Mr. TYDINGS. That is also true of Maryland.

Mr. ADAMS. The thought I wanted to suggest, following the line of suggestion made by the Senator from Arkansas [Mr. ROBINSON], and also the Senator from South Carolina [Mr. BYRNES], is how could we make the plan binding and effective, assuming it to be sound.

The Senator starts with an estimate; that is, he proposes to bind Congress by the estimates of revenues to be made by the executive department. That is the premise. Of course, that is not binding upon the Congress. It would be a matter of Congress in good faith following the suggestion. If Congress should now adopt the Budget, and at a subsequent day should make an appropriation in excess of that Budget, it would be exercising authority which legally would supersede the prior statute.

My question is whether it is not necessary, if we are to put the plan in effective operation, to do so not by statute but by a constitutional provision?

Mr. TYDINGS. I think the Senator's suggestion is one that may well be considered in connection with the joint resolution.

I shall conclude what I have to say by restating that I realize the plan I have here proposed is not perhaps the plan which would evolve out of the committee hearings. I do believe it is a basis for proper consideration, and that such consideration would bring forth a workable plan of great benefit to the people and the Government.

I now introduce the joint resolution and ask that it be referred to the Committee on Appropriations.

The PRESIDENT pro tempore. Without objection, the joint resolution will be received and referred as indicated.

The joint resolution (S. J. Res. 36) to provide for a balanced Budget was read twice by its title and referred to the Committee on Appropriations.

REORGANIZATION OF EXECUTIVE DEPARTMENTS (S. DOC. NO. 8)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read, as follows:

To the Congress of the United States:

I address this message to the Congress as one who has had experience as a legislator, as a subordinate in an executive department, as the chief executive of a State, and as one on whom, as President, the constitutional responsibility for the whole of the executive branch of the Government has lain for 4 years.

Now that we are out of the trough of the depression, the time has come to set our house in order. The administrative management of the Government needs overhauling. We are confronted not alone by new activities, some of them temporary in character, but also by the growth of the work of the Government matching the growth of the Nation over more than a generation.

Except for the enactment of the Budget and Accounting Act of 1921, no extensive change in management has occurred since 1913, when the Department of Labor was established. The executive structure of the Government is sadly out of date. I am not the first President to report to the Congress that antiquated machinery stands in the way of effective administration and of adequate control by the Congress. Theodore Roosevelt, William H. Taft, Woodrow Wilson, and Herbert Hoover made repeated but not wholly successful efforts to deal with the problem. Committees of the Congress have also rendered distinguished service to the Nation through their efforts from time to time to point the way to improvement of governmental management and organization.

The opportunity and the need for action now comes to you and to me. If we have faith in our republican form of government and in the ideals upon which it has rested for 150 years, we must devote ourselves energetically and courageously to the task of making that government efficient. The great stake in efficient democracy is the stake of the common man.

In these troubled years of world history a self-government cannot long survive unless that government is an effective and efficient agency to serve mankind and carry out the will of the Nation. A government without good management is a house builded on sand.

In striving together to make our Government more efficient, you and I are taking up in our generation the battle to preserve that freedom of self-government which our forefathers fought to establish and hand down to us. They struggled against tyranny, against nonrepresentative controls, against government by birth, wealth, or class against sectionalism. Our struggle now is against confusion, against ineffectiveness, against waste, against inefficiency. This battle, too, must be won, unless it is to be said that in our generation national self-government broke down and was frittered away in bad management.

Will it be said "democracy was a great dream but it could not do the job"? Or shall we here and now, without further delay, make it our business to see that our American democracy is made efficient so that it will do the job that is required of it by the events of our time?

I know your answer, and the answer of the Nation, because, after all, we are a practical people. We know good management in the home, on the farm, and in business, big and little. If any nation can find the way to effective government, it should be the American people through their own democratic institutions.

Over a year ago it seemed to me that this problem of administrative management of the executive branch of the Government should be a major order of business of this session of the Congress. Accordingly, after extended discussions and negotiations, I appointed a Committee on Administrative Management to examine the whole problem broadly and to suggest for my guidance and your consideration a comprehensive and balanced program for dealing with the overhead organization and management of the executive branch as it is established under the Constitution.

The Committee has now completed its work, and I transmit to you its report, "Administrative Management in the Government of the United States." I have examined this report carefully and thoughtfully, and am convinced that it is a great document of permanent importance. I think that the general program presented by the Committee is adequate, reasonable, and practical, and that it furnishes the basis for immediate action. The broad facts are known; the need is clear; what is now required is action.

The Committee on Administrative Management points out that no enterprise can operate effectively if set up as is the Government today. There are over 100 separate departments, boards, commissions, corporations, authorities, agencies, and activities through which the work of the Government is being carried on. Neither the President nor the Congress can exercise effective supervision and direction over such a chaos of establishments, nor can overlapping, duplication, and contradictory policies be avoided.

The Committee has not spared me; it says, what has been common knowledge for 20 years, that the President cannot adequately handle his responsibilities; that he is overworked; that it is humanly impossible, under the system which we have, for him fully to carry out his constitutional duty as Chief Executive because he is overwhelmed with minor details and needless contacts arising directly from the bad organization and equipment of the Government. I can testify to this. With my predecessors, who have said the same thing over and over again, I plead guilty.

The plain fact is that the present organization and equipment of the executive branch of the Government defeats the constitutional intent that there be a single responsible Chief Executive to coordinate and manage the departments and activities in accordance with the laws enacted by the Congress. Under these conditions the Government cannot be thoroughly effective in working, under popular control, for the common good.

The committee does not spare the Comptroller General for his failure to give the Congress a prompt and complete audit each year, totally independent of administration, as a means of holding the Executive truly to account; nor for his unconstitutional assumption of executive power; nor for the failure to keep the accounting system of the Government up to date to serve as the basis of information, management, and control.

The Committee criticizes the use of boards and commissions in administration, condemns the careless use of "corporations" as governmental instrumentalities, and points out that the practice of creating independent regulatory commissions, who perform administrative work in addition to judicial work, threatens to develop a "fourth branch" of the Government, for which there is no sanction in the Constitution. Nor does the Committee spare the inadequacy of the civil-service system.

To meet this situation and bring our administrative management up to date the Committee presents an integrated five-point program, which you will find set out in its report. It includes these major recommendations:

First. Expand the White House staff so that the President may have a sufficient group of able assistants in his own office to keep him in closer and easier touch with the widespread affairs of administration, and to make the speedier clearance of the knowledge needed for Executive decision.

Second. Strengthen and develop the managerial agencies of the Government, particularly those dealing with the Budget and efficiency research, with personnel and with planning, as management arms of the Chief Executive.

Third. Extend the merit system upward, outward, and downward to cover practically all non-policy-determining posts; reorganize the civil-service system as a part of management under a single, responsible administrator; and create a citizen board to serve as the watchdog of the merit system, and increase the salaries of key posts throughout the service so that the Government may attract and hold in a career service men and women of ability and character.

Fourth. Overhaul the 100 independent agencies, administrations, authorities, boards, and commissions, and place them by Executive order within one or the other of the following 12 major executive departments: State, Treasury, War, Justice, Post Office, Navy, Conservation, Agriculture, Commerce, Labor, Social Welfare, and Public Works; and place upon the Executive continuing responsibility for the maintenance of effective organization.

Fifth. Establish accountability of the Executive to the Congress by providing a genuine independent post-audit of all fiscal transactions by an auditor general, and restore to the Executive complete responsibility for accounts and current transactions.

As you will see, this program rests solidly upon the Constitution and upon the American way of doing things. There is nothing in it which is revolutionary, as every element is drawn from our own experience, either in government or large-scale business.

I endorse this program and feel confident that it will commend itself to you also with your knowledge of government, and to the vast majority of the citizens of the country who want and believe in efficient self-government.

No important advance can be made toward the major objectives of the program without the passage by the Congress of the necessary legislation.

It will be necessary to provide for the establishment of two new departments, a department of social welfare and a department of public works, for the assignment by the President of all the miscellaneous activities to the 12 major departments thus provided, for reorganization of the civil-service system, for modernizing and strengthening the managerial agencies of the Executive, and for making the Executive more strictly accountable to the Congress. By the creation of two new departments nearly 100 agencies now not under regular departments can be consolidated as to their administrative functions under a total of 12 regular departments of the Government.

The remaining elements of the five-point program, though they must await your action on the basic legislation, may be initiated through appropriations and Executive orders.

In placing this program before you I realize that it will be said that I am recommending the increase of the powers of the Presidency. This is not true. The Presidency as established in the Constitution of the United States has all of the powers that are required. In spite of timid souls in 1787 who feared effective Government the Presidency was established as a single strong chief executive office in which was vested the entire executive power of the National Government, even as the legislative power was placed in the Congress and the judicial in the Supreme Court. What I am placing before you is not the request for more power, but for the tools of management and the authority to distribute the work so that the President can effectively discharge those powers which the Constitution now places upon him. Unless we are prepared to abandon this important part of the Constitution, we must equip the Presidency with authority commensurate with his responsibilities under the Constitution.

The Committee on Administrative Management, after a careful examination of recent attempts to reorganize the Government and of State reorganizations carried out so ably by Gov. Frank O. Lowden in Illinois, Gov. Alfred E. Smith in New York, Gov. Harry F. Byrd in Virginia, Gov. William Tudor Gardiner in Maine, and by other Governors, accepts the view held by my distinguished predecessors that the detailed work of reorganization is, as President Theodore Roosevelt said over 30 years ago, "essentially executive in its nature." The Committee accordingly recommends that reorganization should be a continuing duty and authority of the Chief Executive on the basis of standards set by the Congress. To make this safe, the Committee insists, however, that the Congress keep a watchful eye upon reorganization both through the annual Budget and through the maintenance of strict executive accountability to the Congress under the independent audit of all financial transactions by an auditor general. Under the proposed plan the Congress must by law establish the major departments and determine in advance the general principles which shall guide the President in distributing the work of the Government among these departments, and in this task the President is to act on the basis of careful research by the Bureau of the Budget and after conference with those primarily affected. Reorganization is not a mechanical task, but a human task, because Government is not a machine, but a living organism. With these clear safeguards, and in view of our past muddling with reorganization, one cannot but accept the logic and wisdom of the recommendations.

I would not have you adopt this five-point program, however, without realizing that this represents an important step in American history. If we do this, we reduce from over 100 down to a dozen the operating executive agencies of the Government, and we bring many little bureaucracies under broad coordinated democratic authority.

But in so doing we shall know that we are going back to the Constitution and giving to the executive branch modern tools of management and an up-to-date organization which will enable the Government to go forward efficiently. We can prove to the world that American government is both democratic and effective.

In this program I invite your cooperation and pledge myself to deal energetically and promptly with the executive responsibilities of reorganization and administrative management when you shall have made this possible by the necessary legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 12, 1937.*

Mr. ROBINSON. I ask unanimous consent that the President's message, and the accompanying report of the President's Committee on Administrative Management in the

Executive Branch of the Government of the United States, be printed as a public document.

The PRESIDENT pro tempore. Without objection, it is so ordered; and, without objection, the message and the accompanying report will lie on the table.

EXEMPTION FROM TAX OF INAUGURAL ADMISSION TICKETS

Mr. KING. Mr. President, I ask the Chair to lay before the Senate for reading House Joint Resolution 106.

The PRESIDENT pro tempore laid before the Senate the joint resolution (H. J. Res. 106) to exempt from the tax on admissions amounts paid for admission tickets sold by authority of the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1937, which was read the first time by its title and the second time at length, as follows:

Resolved, etc., That all amounts paid for admission tickets sold by authority of the Committee on Inaugural Ceremonies of the Inauguration of the President-elect in January 1937, said committee to be appointed with the approval of the President-elect, shall be exempt from the tax on admissions imposed by section 500 of the Revenue Act of 1926, as amended, all the net proceeds from the sale of said tickets to be donated by the said committee to charity.

Mr. KING. Mr. President, a few days ago Senate Joint Resolution 18 was passed by the Senate. The measure which has today come over from the House is textually the same as the Senate joint resolution. I move that the Senate proceed to the immediate consideration of the House joint resolution.

The PRESIDENT pro tempore. Is there objection?

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

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate a message from the President of the United States submitting the nomination of Leighton Shields, of Missouri (now serving under a recess appointment), to be district attorney, United States Court for China, which was referred to the Committee on the Judiciary.

(For nomination this day received, see the end of Senate proceedings.)

ADJOURNMENT TO THURSDAY

Mr. ROBINSON. I move that the Senate adjourn until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 1 o'clock and 35 minutes p. m.) the Senate adjourned until Thursday, January 14, 1937, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate January 12, 1937

DISTRICT ATTORNEY, UNITED STATES COURT FOR CHINA

Leighton Shields to be district attorney for the United States Court for China. (Mr. Shields is now serving under a recess appointment.)

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 12, 1937

The House met at 12 o'clock meridian.

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

Eternal God, our Father, whose love and mercy reach to all men, arm us with that faith which enriches and dignifies life and fills it with the momentum of a great purpose. We are glad for the quiet of another night; today may we show forth Thy thought, power, and beauty; let Thy justice and goodness possess us. Almighty God, we hear the clanging discords of men throughout our land. We earnestly pray Thee that the higher and more blessed unity of our Lord may prevail among them. Grant that wisdom, steady, serious, and tranquil, may beat a pathway through the tides of controversy and that understanding and mutual good will may merge strong and enduring on the side of brotherhood. Hear our prayer, O Lord, for Thy name's sake. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 591. An act granting a pension to Grace G. Coolidge.

GRACE G. COOLIDGE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 591) granting a pension to Grace G. Coolidge.

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

There was no objection.

The Clerk read the bill (S. 591), as follows:

An act granting a pension to Grace G. Coolidge

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized and directed to place on the pension rolls the name of Grace G. Coolidge, widow of Calvin Coolidge, late a President of the United States, and to pay her a pension at the rate of $5,000 per annum.

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

A motion to reconsider the vote by which the bill was passed was laid on the table.

EXEMPTING FROM TAX ADMISSIONS PAID FOR TICKETS TO INAUGURAL CEREMONIES

Mr. DOUGHTON. Mr. Speaker, I offer the following resolution, and ask for its immediate consideration.

The SPEAKER. The gentleman from North Carolina submits a resolution, which the Clerk will report, and asks unanimous consent for its present consideration.

The Clerk read the resolution, as follows:

House Joint Resolution 106

Joint resolution to exempt from the tax on admissions amounts paid for admission tickets sold by authority of the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1937

Resolved, etc., That all amounts paid for admission tickets sold by authority of the Committee on Inaugural Ceremonies of the inauguration of the President-elect in January 1937, said committee to be appointed with the approval of the President-elect, shall be exempt from the tax on admissions imposed by section 500 of the Revenue Act of 1926, as amended, all the net proceeds from the sale of said tickets to be donated by the said committee to charity.

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

Mr. RICH. Mr. Speaker, reserving the right to object, may I ask the gentleman from North Carolina a question? I would like to know from the chairman if it is going to be the practice of this Congress to put through legislation for tax-exempt securities? If it is not, then we better start here to object. I give notice now that I shall object to all legislation for tax-exempt securities, but because of the fact that this might seem to be a political objection because it relates to the inaugural ceremonies I do not want to do it. However, I do want to notify the majority leader of this House that I am going to object in every way I possibly can to the issuance of any more tax-exempt securities. I will permit this resolution to pass, but I would like an expression from the leader of the majority upon this matter.

Mr. DOUGHTON. The gentleman from Pennsylvania asks me what the practice and policy of the House is going to be. Of course, I do not know. I do not know what the policy of the committee will be. But this has no relation whatever to tax-exempt securities. As far as I am personally concerned I have never believed in tax-exempt securities, but as I say this has no relation whatever to tax-exempt securities.

Mr. RICH. I want to say that the gentleman from North Carolina [Mr. DOUGHTON] has more influence in the House than any other Member. He has stated that he is opposed to tax-exempt securities, and I want to say that I will help him in every way that I can to prohibit the issuing of any more by this Government. [Laughter and applause.]

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

There was no objection.

The resolution was agreed to.

A motion by Mr. DOUGHTON to reconsider the vote whereby the resolution was agreed to was laid on the table.

DEMOCRATIC CAUCUS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I have asked for this time to inform the majority Members of the House that there will be a Democratic caucus at 10:30 o'clock tomorrow morning to hear a report of the majority committee on committees.

LEAVE TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Monday next my colleague, Mr. LUCE, after the reading of the Journal and the disposition of business on the Speaker's table, be allowed to address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent that immediately after the special order today I be granted permission to address the House for 30 minutes.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that after the disposition of the special order today he may be permitted to address the House for 30 minutes. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a report of the mayors of certain cities of the United States to the President of the United States in reference to relief.

The SPEAKER. Is there objection?

There was no objection.

Mr. TURNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a short article on the Constitution by Mr. Fred Wilson, of Tennessee.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD, and to include therein a short article on the Constitution by Fred Wilson, of Tennessee. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object, to inquire who Mr. Fred Wilson is?

Mr. TURNER. Mr. Fred Wilson lives in Tennessee, and this is just a short article on the Constitution written by him. He has written a book on the Constitution.

Mr. RICH. Mr. Speaker, to allow this would be contrary to the rules of the Joint Committee on Printing, and I shall have to object. I object.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement I made to the Secretary of Agriculture on crop conditions in the Third Congressional District of the State of Nebraska.

The SPEAKER. Is there objection?

There was no objection.

RECESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the House stand in recess subject to the call of the Speaker. I may say to the gentleman from Maryland [Mr. GOLDSBOROUGH] that the President's message is coming and we are waiting for it now. I think it will be here in 10 or 15 minutes.

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

There was no objection.

Accordingly (at 12 o'clock and 15 minutes p. m.) the House stood in recess, subject to the call of the Speaker.

AFTER THE RECESS

At 12 o'clock and 27 minutes p. m., the House was called to order by the Speaker.

MESSAGE FROM THE PRESIDENT

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

REORGANIZATION OF EXECUTIVE DEPARTMENTS (S. DOC. NO. 8)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed:

To the Congress of the United States:

I address this message to the Congress as one who has had experience as a legislator, as a subordinate in an executive department, as the chief executive of a State, and as one on whom, as President, the constitutional responsibility for the whole of the executive branch of the Government has lain for 4 years.

Now that we are out of the trough of the depression, the time has come to set our house in order. The administrative management of the Government needs overhauling. We are confronted not alone by new activities, some of them temporary in character, but also by the growth of the work of the Government matching the growth of the Nation over more than a generation.

Except for the enactment of the Budget and Accounting Act of 1921, no extensive change in management has occurred since 1913, when the Department of Labor was established. The executive structure of the Government is sadly out of date. I am not the first President to report to the Congress that antiquated machinery stands in the way of effective administration and of adequate control by the Congress. Theodore Roosevelt, William H. Taft, Woodrow Wilson, and Herbert Hoover made repeated but not wholly successful efforts to deal with the problem. Committees of the Congress have also rendered distinguished service to the Nation through their efforts from time to time to point the way to improvement of governmental management and organization.

The opportunity and the need for action now comes to you and to me. If we have faith in our republican form of government, and in the ideals upon which it has rested for 150 years, we must devote ourselves energetically and courageously to the task of making that Government efficient. The great stake in efficient democracy is the stake of the common man.

In these troubled years of world history a self-government cannot long survive unless that government is an effective and efficient agency to serve mankind and carry out the will of the nation. A government without good management is a house builded on sand.

In striving together to make our Government more efficient, you and I are taking up in our generation the battle to preserve that freedom of self-government which our forefathers fought to establish and hand down to us. They struggled against tyranny; against nonrepresentative controls; against government by birth, wealth, or class; against sectionalism. Our struggle now is against confusion, against ineffectiveness, against waste, against inefficiency. This battle, too, must be won, unless it is to be said that in our generation national self-government broke down and was frittered away in bad management.

Will it be said, "Democracy was a great dream, but it could not do the job"? Or shall we here and now, without further delay, make it our business to see that our American democracy is made efficient, so that it will do the job that is required of it by the events of our time?

I know your answer, and the answer of the Nation, because, after all, we are a practical people. We know good management in the home, on the farm, and in business, big and little. If any nation can find the way to effective government, it should be the American people through their own democratic institutions.

Over a year ago it seemed to me that this problem of administrative management of the executive branch of the Government should be a major order of business of this session of the Congress. Accordingly, after extended discussions and negotiations, I appointed a Committee on Administrative Management to examine the whole problem broadly and to suggest for my guidance and your consideration a comprehensive and balanced program for dealing with the overhead organization and management of the executive branch as it is established under the Constitution.

The Committee has now completed its work, and I transmit to you its report, "Administrative Management in the Government of the United States." I have examined this report carefully and thoughtfully and am convinced that it is a great document of permanent importance. I think that the general program presented by the committee is adequate, reasonable, and practical, and that it furnishes the basis for immediate action. The broad facts are known; the need is clear; what is now required is action.

The Committee on Administrative Management points out that no enterprise can operate effectively if set up as is the Government today. There are over 100 separate departments, boards, commissions, corporations, authorities, agencies, and activities through which the work of the Government is being carried on. Neither the President nor the Congress can exercise effective supervision and direction over such a chaos of establishments, nor can overlapping, duplication, and contradictory policies be avoided.

The Committee has not spared me; it says, what has been common knowledge for 20 years, that the President cannot adequately handle his responsibilities; that he is overworked, that it is humanly impossible, under the system which we have, for him fully to carry out his constitutional duty as Chief Executive because he is overwhelmed with minor details and needless contacts arising directly from the bad organization and equipment of the Government. I can testify to this. With my predecessors who have said the same thing over and over again, I plead guilty.

The plain fact is that the present organization and equipment of the executive branch of the Government defeats the constitutional intent that there be a single responsible Chief Executive to coordinate and manage the departments and activities in accordance with the laws enacted by the Congress. Under these conditions the Government cannot be thoroughly effective in working, under popular control, for the common good.

The Committee does not spare the Comptroller General for his failure to give the Congress a prompt and complete audit each year, totally independent of administration, as a means of holding the Executive truly to account; nor for his unconstitutional assumption of executive power; nor for the failure to keep the accounting system of the Government up to date to serve as the basis of information, management, and control.

The Committee criticizes the use of boards and commissions in administration, condemns the careless use of "corporations" as governmental instrumentalities, and points out that the practice of creating independent regulatory commissions, who perform administrative work in addition to judicial work, threatens to develop a "fourth branch" of the Government for which there is no sanction in the Constitution. Nor does the Committee spare the inadequacy of the civil-service system.

To meet this situation and bring our administrative management up to date, the Committee presents an integrated five-point program which you will find set out in its report. It includes these major recommendations:

First. Expand the White House staff so that the President may have a sufficient group of able assistants in his own office to keep him in closer and easier touch with the widespread affairs of administration, and to make the speedier clearance of the knowledge needed for executive decision.

Second. Strengthen and develop the managerial agencies of the Government, particularly those dealing with the Budget and efficiency research, with personnel and with planning, as management arms of the Chief Executive.

Third. Extend the merit system upward, outward, and downward to cover practically all non-policy-determining posts; reorganize the civil-service system as a part of management under a single responsible administrator, and create a citizen board to serve as the watchdog of the merit system and increase the salaries of key posts throughout the service, so that the Government may attract and hold in a career service men and women of ability and character.

Fourth. Overhaul the 100 independent agencies, administrations, authorities, boards, and commissions and place them by Executive order within one or the other of the following 12 major executive departments: State, Treasury, War, Justice, Post Office, Navy, Conservation, Agriculture, Commerce, Labor, Social Welfare, and Public Works, and place upon the Executive continuing responsibility for the maintenance of effective organization.

Fifth. Establish accountability of the Executive to the Congress by providing a genuine independent post-audit of all fiscal transactions by an auditor general, and restore to the Executive complete responsibility for accounts and current transactions.

As you will see, this program rests solidly upon the Constitution and upon the American way of doing things. There is nothing in it which is revolutionary, as every element is drawn from our own experience either in Government or large-scale business.

I endorse this program and feel confident that it will commend itself to you also, with your knowledge of Government, and to the vast majority of the citizens of the country, who want and believe in efficient self-government.

No important advance can be made toward the major objectives of the program without the passage by the Congress of the necessary legislation.

It will be necessary to provide for the establishment of two new departments, a department of social welfare and a department of public works, for the assignment by the President of all the miscellaneous activities to the 12 major departments thus provided, for reorganization of the civil-service system, for modernizing and strengthening the managerial agencies of the Executive, and for making the Executive more strictly accountable to the Congress. By the creation of two new departments nearly 100 agencies now not under regular departments can be consolidated as to their administrative functions under a total of 12 regular departments of the Government.

The remaining elements of the five-point program, though they must await your action on the basic legislation, may be initiated through appropriations and Executive orders.

In placing this program before you I realize that it will be said that I am recommending the increase of the powers of the Presidency. This is not true. The Presidency as established in the Constitution of the United States has all of the powers that are required. In spite of timid souls in 1737 who feared effective Government, the Presidency was established as a single strong Chief Executive office in which was vested the entire executive power of the National Government, even as the legislative power was placed in the Congress and the judicial in the Supreme Court. What I am placing before you is not the request for more power, but for the tools of management and the authority to distribute the work so that the President can effectively discharge those powers which the Constitution now places upon him. Unless we are prepared to abandon this important part of the Constitution, we must equip the Presidency with authority commensurate with his responsibilities under the Constitution.

The Committee on Administrative Management, after a careful examination of recent attempts to reorganize the Government and of State reorganizations carried out so ably by Gov. Frank O. Lowden in Illinois, Gov. Alfred E. Smith in New York, Gov. Harry F. Byrd in Virginia, Gov.

William Tudor Gardiner in Maine, and by other Governors, accepts the view held by my distinguished predecessors that the detailed work of reorganization is, as President Theodore Roosevelt said over 30 years ago, "essentially executive in its nature." The Committee accordingly recommends that reorganization should be a continuing duty and authority of the Chief Executive on the basis of standards set by the Congress. To make this safe, the Committee insists, however, that the Congress keep a watchful eye upon reorganization both through the annual Budget and through the maintenance of strict executive accountability to the Congress under the independent audit of all financial transactions by an auditor general. Under the proposed plan, the Congress must by law establish the major departments and determine in advance the general principles which shall guide the President in distributing the work of the Government among these departments, and in this task the President is to act on the basis of careful research by the Bureau of the Budget and after conference with those primarily affected. Reorganization is not a mechanical task but a human task, because government is not a machine but a living organism. With these clear safeguards and in view of our past muddling with reorganization, one cannot but accept the logic and wisdom of the recommendations.

I would not have you adopt this five-point program, however, without realizing that this represents an important step in American history. If we do this, we reduce from over 100 down to a dozen the operating executive agencies of the Government, and we bring many little bureaucracies under broad coordinated democratic authority.

But in so doing we shall know that we are going back to the Constitution and giving to the executive branch modern tools of management and an up-to-date organization which will enable the Government to go forward efficiently. We can prove to the world that American government is both democratic and effective.

In this program I invite your cooperation and pledge myself to deal energetically and promptly with the executive responsibilities of reorganization and administrative management when you shall have made this possible by the necessary legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 12, 1937.*

ORDER OF BUSINESS

The SPEAKER. Under special order heretofore made, the Chair recognizes the gentleman from Maryland [Mr. GOLDSBOROUGH] for 1 hour.

Mr. PATMAN. Pending that, Mr. Speaker, may I be permitted to propound a unanimous-consent request?

The SPEAKER. Does the gentleman from Maryland yield for that purpose?

Mr. GOLDSBOROUGH. I do.

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

The SPEAKER. Is there objection?

There was no objection.

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

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. LUDLOW. Mr. Speaker, will the gentleman from Maryland yield to me until I can make a unanimous-consent request?

Mr. GOLDSBOROUGH. I yield.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that on Thursday next, after the reading of the Journal and the disposition of business on the Speaker's table, I may be permitted to address the House for 1 hour.

The SPEAKER. The gentleman from Indiana asks unanimous consent that on Thursday next, after the reading of the Journal and the disposition of business on the Speaker's table, he be permitted to address the House for 1 hour. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object in order to ask whether it is the intention to have any special legislation come up in the House this week?

The SPEAKER. The Chair requests the majority leader to answer that.

Mr. RAYBURN. Mr. Speaker, the only bill that might have come up would have been the independent offices appropriation bill, and I think that will not come in. We would like to have Members who desire to make speeches make them this week, because next week we will be very busy.

Mr. SNELL. The gentleman expects to have some legislation next week?

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

There was no objection.

EXTENSION OF REMARKS

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of transportation and to include therein a short bill.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. GIFFORD. Mr. Speaker, in view of the suggestion made by the majority leader, I ask unanimous consent that, following the special order already granted for Thursday next, I may be permitted to address the House for 40 minutes.

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

There was no objection.

The SPEAKER. The gentleman from Maryland [Mr. GOLDSBOROUGH] is recognized for 1 hour.

PERMANENT DISTRIBUTION OF NATIONAL PRODUCTION

Mr. GOLDSBOROUGH. Mr. Speaker, I am today discussing H. R. 31, introduced by me on January 5, 1937. I introduced an identic bill on August 22, 1935, H. R. 9216, Seventy-fourth Congress, upon which hearings were held before the Committee on Banking and Currency of the House of Representatives on April 27 and 28, 1936, which hearings are entitled "Permanent Distribution of National Production."

Later in these remarks I will attempt to explain the bill, but what I intend as a graphic background will perhaps assist the explanation.

In a speech made at the annual dinner of the Chamber of Commerce of the State of New York, on November 19, 1936, President James Roland Angell, of Yale University, is quoted by the New York Times, of November 20, as follows:

> The gravest danger with which we are confronted is the possible lack of sufficient moral insight to recognize that, if we wish to salvage the high and indubitable advantages of a free democracy, we must breed a sufficiently vivid form of intelligent social altruism voluntarily to forego some of the individual prerogatives which in a simpler day we could properly and successfully claim.

He said that if the good things of life cannot be distributed with reasonable justice and with due regard to the social service actually rendered, and if needless cruelty cannot be prevented, then—

> I say again we may look for some form of dictatorial control and with its coming the destruction of many of the highest spiritual values in life.

He said that, being an optimist, he had no doubt ways would be discovered to do full justice to the social and economic necessities of the people without crushing individual initiative and self-reliance.

Mr. Winthrop W. Aldrich, chairman of the board of directors of the Chase National Bank, spoke at the same dinner, and is quoted as follows by the Times:

> In my opinion the underlying factor was the widespread belief that the existing administration was pledged to protect those among us who are the least able to protect themselves.
>
> If my estimate is correct, the election of 2 weeks ago was an American reflection of a world-wide movement that the war and its consequences greatly stimulated—the movement yielding up

some of the individual's freedom to act in return for increased security.

We are seeing in many countries the abandonment of the philosophy that the individual has a right to go ahead as far and as fast as his capacities allow, and the substitution in place of it of the philosophy that the activities of the individual must be restrained to some extent for the benefit of all.

No man can tell for what period of time this world-wide movement will go or what further changes it will produce in the economic, social, and political world as we know it. It is the twentieth-century's version of the philosophy of the eighteenth. It is a swing away from the intense individualism of the rights of man toward a limited application of that theory. It seeks to restrain and direct the freedom of the few for the benefit of the many.

Quoting from the New York Post of December 9, Mr. Colby M. Chester, president of the National Association of Manufacturers, at the opening session of the organization's annual meeting at the Waldorf-Astoria, said:

Industry must accept its responsibility for the national welfare as being an even higher duty than the successful operation of private business.

Mr. Chester called this the no. 1 plank in the proposed program of reform.

In a wireless from Paris, on November 5, in the New York Times, the following statement appears:

A predication that the three great democracies—France, Great Britain, and the United States—are on the verge of great prosperity but a warning that such prosperity must have wide distribution among the lower-income brackets was voiced today at a luncheon of the American Club of Paris by Sir Robert M. Kindersley, a director of the Bank of England.

"This prosperity is democracy's great opportunity," he said, "but it is also her responsibility and it is for her to see that when it comes it is fairly, equitably, and justly distributed, thus placing democracy on the broadest possible basis. * * * Otherwise prosperity cannot conceivably last except for a short time.

"If, on the other hand, we are generous and broadminded, if we have vision and see to it that a fair and just distribution takes place, the length of the prosperity which can come to the world is in my opinion immeasurable."

It seems to me especially wise and fitting to quote from the text of the annual message of the President of the United States delivered in this room on January 6. The President said:

Ours was the task to prove that democracy could be made to function in the world of today as effectively as in the simpler world of a hundred years ago. Ours was the task to do more than to argue a theory. The times required the confident answer of performance to those whose instinctive faith in humanity made them want to believe that in the long run democracy would prove superior to more extreme forms of government as a process of getting action when action was wisdom, without the spiritual sacrifices which those other forms of government exact.

That challenge we met. To meet it required unprecedented activities under Federal leadership—to end abuses—to restore a large measure of material prosperity—to give new faith to millions of our citizens who had been traditionally taught to expect that democracy would provide continuously wider opportunity and continuously greater security in a world where science was continuously making material riches more available to man.

Again he stated:

That cooperation of the past 4 years between the Congress and the President has aimed at the fulfillment of a twofold policy—first, economic recovery through many kinds of assistance to agriculture, industry, and banking; and, second, deliberate improvement in the personal security and opportunity of the great mass of our people.

And again:

Nor was the recovery we sought merely a purposeless whirring of machinery. It is important, of course, that every man and woman in the country be able to find work; that every factory run; that business as a whole earn profits. But government in a democratic nation does not exist solely, or even primarily, for that purpose.

It is not enough that the wheels turn. They must carry us in the direction of a greater satisfaction in life for the average man. The deeper purpose of democratic government is to assist as many of its citizens as possible—especially those who need it most—to improve their conditions of life, to retain all personal liberty which does not adversely affect their neighbors, and to pursue the happiness which comes with security and an opportunity for recreation and culture.

Even with our present recovery we are far from the goal of that deeper purpose. There are far-reaching problems still with us for which democracy must find solutions if it is to consider itself successful.

Evidently the leaders of thought in this country are aware of the fact that the major problem to be solved by the American people is the one of poverty in the midst of plenty; is the problem of distributing to our people all of the wanted goods and services they are able to produce. It has always seemed to me to be wise to take it for granted that there is a solution of every social problem, and that the rational process was, first, ascertaining the problem; second, ascertaining the solution; and, third, working out the solution on a practical and common sense basis, and with the facts of human nature kept constantly in mind.

The bill introduced by me is an attempt toward a solution of the indicated problem of poverty in the midst of plenty. But again, before explaining the bill, it has seemed to me best to call attention to certain facts and to quote from those, some of whom seem to understand the facts, and all of whom, in a general way, appear to understand the necessary result of the facts and some of the economic factors involved.

In 1787 John Adams wrote to Thomas Jefferson:

All the perplexities, confusion, and distress in America arise, not from defects in the Constitution or Confederation, not from want of honor or virtue, so much as from downright ignorance of the nature of coin, credit, and circulation.

Pope Pius, in Forty Years After, on the reconstruction of the social order (1931), says:

This power—

Concentrated economic domination—

becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit, and determine its allotment; for that reason supplying, so to speak, the lifeblood to the entire economic body, and grasping, as it were, in their hands the very soul of production so that no one dare breathe against their will.

In 1916 President Wilson made the following statement:

A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the Nation, therefore, and all our activities are in the hands of a few men. * * * We have come to be one of the worst ruled, one of the most completely controlled and dominated governments in the civilized world—no longer a government by free opinion, no longer a government by conviction and the vote of the majority, but a government by the opinion and duress of small groups of dominant men.

Bishop McConnell, of the New York Methodist area, a former president of the Federal Council of the Churches of Christ in America, stated very recently:

Now, however, the questioning is covering a wider range and is going deeper. The issue can be put about thus: Assuming that the businessman thinks of dividends first and the public good second, and that the public thinks of its own good first and dividends second, the question is as to which point of view is to have the right-of-way. Quite likely, as in all such matters, a practical compromise is to be worked out, but the business world will do well to try to help in an adjustment. For very careful students who are not at all radical are pointing out that capitalism in the United States is sinning against its own interests in not producing more goods at reduced prices and in trying to keep wages down. Industrial leaders could take at least the first steps away from a scarcity to a plenty policy if they would do just the opposite—at least that is the opinion of those best entitled to an opinion.

All this is on the assumption that our present order can be improved within its present framework. Anyhow, the wise course for the leaders of the industrial system is to show a cooperative attitude in such matters. To be sure, there are men in this land of ours so boneheaded as not to be able to see the plain meaning of the Roosevelt reelection—the interest of the public in what concerns human welfare.

If we will take the pains to listen to comments of ordinary people, we can soon learn that there is an increasing public interest not only in social security but in such scrutiny of industrial methods as will indicate that public welfare stands where it ought to stand—in the first place.

All authorities appear to agree that we can have no permanent prosperity in this country without permanently increasing the consuming power of the masses of the people. Reading from Income and Economic Progress, a publication of the Brookings Institute, Washington, D. C., pages 37 and 38:

First, the consumptive requirements or wants of the people were far from satisfied during the period of our highest economic achievement. The value of the total national production of goods and services in 1929, if divided equally among the entire population, would have given to each person approximately $665. There were nearly 6,000,000 families with incomes less than $1,000;

12,000,000 with incomes under $1,500; over 16,000,000 with incomes under $2,000; and over 19,000,000, or 71 percent of the total, with incomes less than $2,500. A family income of $2,500, at 1929 prices, was a very moderate one, permitting few of the luxuries of life. Hence it was clear that the consumptive requirements, and especially the wants, of the masses of the people were far from satisfied.

To raise the incomes of the 19.4 million families receiving less than $2,500 in 1929 to a $2,500 level, with no changes in the incomes of the families receiving more than that amount, would have required an increase in national production of more than $16,000,000,000. A horizontal increase of $1,000 in the income of all families receiving less than $5,000 in 1929 would necessitate an expansion of production to the extent of over $25,000,000,000. To give all the families of the Nation a "reasonable standard" of living, such as is set forth in studies made by the Bureau of Home Economics of the United States Department of Agriculture, would have necessitated an increase in production over 1929 levels of approximately 75 percent. The full utilization of our productive capacity, it will be recalled, would have permitted an increase in production of only about 20 percent, or $15,000,000,000. We were clearly not confronted in 1929 with overproduction, either actual or potential. The desires of the people were vastly greater than could have been satisfied by the productive power then available.

Second, the market demand for consumption goods was less than our capacity to supply such demand. That is to say, while we could not have supplied all of the goods that were desired by the people, we were able to furnish a larger volume than the people were willing or able to purchase with the incomes which they had available. A substantially greater output of consumption goods would undoubtedly have resulted had the market demands of consumers been larger.

I know the House will pardon me for making use of extensive quotations, but I am anxious, if possible, to fortify my explanation of the bill with the philosophy of others than the author of the bill.

It is, of course, obvious that these remarks contain a criticism, both express and implied, of our currency system, but they do not contain a criticism of bankers who supply it. Bankers are experts at their job, and as administrative entities the banking systems of the world are probably much superior to anything else we have—both as regards efficiency and departmental integrity.

The system of fractional reserves which makes it impossible for the people to pay their debts has no background of economic theory. It is a banking practice which originated with the Goldsmiths of London and which was perfected by the Rothschilds. In an editorial appearing in the Baltimore Evening Sun of August 19, 1935, there appears the following sentence:

> Most economists agree that a nation cannot well emerge from a depression until it has written off the excessive burden of debt accumulated during the preceding period of prosperity.

This situation epitomizes the tragedy of economic life under the present monetary system.

The concept of the standardized economist is that the way to create money is by making a so-called deposit of money borrowed from a bank. In other words, you borrow from the bank, you reloan to the bank when you make a so-called deposit, and the currency of the country is created by that so-called deposit, the necessary inference being that prosperity will continue and increase until the loans made by the banks become so great that the banks become alarmed, when they proceed to collect what is due them, which in turn contracts the currency, which in turn destroys the value of property, which in turn causes universal bankruptcy and another period of depression.

As illustrating the situation we are in, let us consider for a moment the thing we call the national debt, and which is the daily pabulum of every alarmist and reactionary in the country.

Under the national debt system, which was born in England several hundred years ago, society pays for its money twice. The Government pays out money to members of society, and receives in exchange for the money either goods or services; in other words, society pays for its money when it gets it, but under the national debt system the Government—society—is required to borrow its money from the banks, and then society, which has already paid in goods and services for the money received by it, has to pay for the same money again in repaying the banks.

From the very beginning of my knowledge of business matters I have never understood the wisdom of the universal transaction of business on the basis of a debt. I read a very interesting statement made by Benjamin Disraeli. He declared that the curse of money began with King William III, who introduced in England what Disraeli termed the system of Dutch finance:

> The principle (of Dutch finance) was to mortgage industry in order to protect property (money); abstractly nothing can be conceived more unjust; its practice in England has been equally injurious. It has made debt a national habit; it has made credit the ruling power, not the exceptional auxiliary, of all transactions; it has introduced a loose, inexact, haphazard, and dishonest spirit in the conduct of both public and private life; a spirit dazzling and yet dastardly; reckless of consequences and yet shrinking from responsibility. And in the end it has so overstimulated the energies of the population to maintain the material engagements of the State and of society at large that the moral condition of the people has been entirely lost sight of.

Why is it preferable to have a nation of bondholders and slaves rather than a nation of stockholders has always been entirely beyond my comprehension, and so, with all the factors implicit in these remarks, I introduced in September 1935 H. R. 9216, now H. R. 31. This bill provides for a discount to the consumer on all wanted goods sold at retail, starting with a discount of 25 percent, and providing that this discount shall be varied from time to time to a point making it possible for all the people to purchase all the people can produce. Under this bill the retailer can deposit with his bank a certificate in an amount representing the discount, which amount is placed to his credit as a deposit, the bank in turn receiving a credit on the books of a commission created by the Federal Government in an amount equal to the discount, and receiving a certificate in an equivalent amount from this Government commission, which it can use to equalize interbank balances, and which it can also use as currency in periods of emergency.

You will ask how, under such a system, inflation can be prevented. It can be prevented by the open-market operations of the Federal Reserve System; it can be prevented by the raising of the reserve requirements of all banks members of the Federal Reserve System; it can be prevented by the raising of rediscount rates in the Federal Reserve banks; it will be prevented for many years by the gradual paying off of the enormous National, State, municipal, corporate, and personal debt load of the country. As you will see, the consumer's dividend amounts to an inverted sales tax, and the bill provides that in case of necessity, to prevent inflation, the process can be reversed and a sales tax imposed. A universal sales tax is a tax on distribution, is a tax on consumption, is a starvation tax, and it will never be necessary to impose this burden upon the people, because while you may have speculation, you cannot have inflation unless and until and after your retail discount becomes so great that the people are able to consume all the wanted goods and services they can produce. Of course, if the discount were increased beyond that point you would have a rise in prices, which would be true inflation.

Now, there are other features of the bill, but I think my statement is sufficiently full to make clear the purposes of the proposed legislation.

We want to substitute cash purchases for installment purchases in every city and town and village and hamlet and rural district in this country. High-pressure salesmanship is selling to our people everything from automobiles to washing machines on the installment plan. This means that the people as a people do not have sufficient purchasing power to buy the articles so sold on an installment basis, which in turn means, of absolute mathematical necessity, that they are mortgaging not only their property but their future earning power, and it is only a question of time when they will be unable to meet their obligations, which means another national economic collapse.

On October 5, 1936, Alfred P. Sloan, Jr., president of General Motors Corporation, made the following statement in the course of a speech at Lansing, Mich.:

> There will be another depression. We haven't discovered what causes them nor what will avoid them. It is inevitable that the next will be more severe than the last. Everything we have done will tend to intensify the next one.

I make no claim that the bill I am discussing will solve the problem which I have attempted to set out. It is, I believe, the only bill ever introduced into a legislative body in the world in an attempt to solve the problem of poverty in the midst of plenty by direct means. It is, I believe, the first measure ever introduced into a legislative body which involves, as a necessary implication, an economic system based on cooperation, and not, as I have said before, based on a debtor-creditor system, which necessarily involves scarcity; the first bill, insofar as I know, ever introduced involving the conception that we should all be producers of one kind or another, and that debt should be the occasional incident rather than the necessary accompaniment and dominant feature of our economic life. [Applause.]

The SPEAKER pro tempore (Mr. WARREN). Under the special order, the gentleman from Wisconsin [Mr. BOILEAU] was granted permission to address the House for 30 minutes. The gentleman from Wisconsin has informed the Chair that if he were not present in the Chamber at this time he did not desire to speak. The Chair does not see the gentleman from Wisconsin.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, if no one desires to make any further remarks, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 34 minutes p. m.) the House adjourned until tomorrow, Wednesday, January 13, 1937, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

192. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior for the fiscal year 1937 in the sum of $6,400 (H. Doc. No. 101); to the Committee on Appropriations and ordered to be printed.

193. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to existing appropriations of the War Department of the fiscal year ending June 30, 1937, to provide for a transfer of funds (H. Doc. No. 102); to the Committee on Appropriations and ordered to be printed.

194. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Communications Commission, amounting to $350,000, to continue available until June 30, 1938 (H. Doc. No. 103); to the Committee on Appropriations and ordered to be printed.

195. A communication from the President of the United States, transmitting a supplemental estimate of appropriation of $95,000,000 for emergency conservation work, for the fiscal year 1937 (H. Doc. No. 104); to the Committee on Appropriations and ordered to be printed.

196. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, United States Senate, for the fiscal year 1937 in the sum of $10,000 (H. Doc. No. 105); to the Committee on Appropriations and ordered to be printed.

197. A letter from the Attorney General, transmitting a report showing the special assistants employed under said appropriation and paid or payable therefrom, the rates of compensation, the amounts paid, and a description of duties; to the Committee on Expenditures in the Executive Departments.

198. A letter from the secretary of American Bar Association, transmitting a resolution unanimously adopted by the house of delegates of the American Bar Association held at Columbus, Ohio, January 5 to 7, 1937; to the Committee on the Civil Service.

199. A letter from the Acting Secretary of War, transmitting a report dated January 8, 1937, from the Chief of Engineers, United States Army, on preliminary examination of St. Lucie Inlet, Fla., authorized by the River and Harbor Act approved August 30, 1935, together with accompanying papers; to the Committee on Rivers and Harbors.

200. A letter from the Acting Secretary of War, transmitting a report dated January 8, 1937, from the Chief of Engineers, United States Army, on preliminary examination and survey of St. Croix River, Maine, authorized by the River and Harbor Act approved August 30, 1935, together with accompanying papers; to the Committee on Rivers and Harbors.

201. A communication from the President of the United States, transmitting two estimates of appropriations for the Post Office Department, one being a deficiency estimate of $100,000 for the fiscal year 1936, and the other a supplemental estimate of $984,000 for the fiscal year 1937 (H. Doc. No. 106); to the Committee on Appropriations and ordered to be printed.

202. A letter from the Chairman of the United States Tariff Commission, transmitting a report of the Tariff Commission, made under its general powers, entitled "Extent of Equal Tariff Treatment in Foreign Countries"; the report describes briefly the commercial policies of 42 foreign countries, with particular attention to equal and unequal tariff treatment and the use of most-favored-nation clauses in commercial agreements; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Missouri: A bill (H. R. 2679) to authorize the acquisition of land with improvements thereon for military purposes adjoining Jefferson Barracks, Mo.; to the Committee on Military Affairs.

By Mr. BIGELOW: A bill (H. R. 2680) to amend title I of the Social Security Act to provide for an increase in noncontributory old-age pensions; to the Committee on Ways and Means.

By Mr. BLAND: A bill (H. R. 2681) to provide for preliminary examination and survey of Whitings Creek, Middlesex County, Va., and channel connecting with the Rappahannock River; to the Committee on Rivers and Harbors.

By Mr. CLUETT: A bill (H. R. 2682) to authorize a preliminary examination of the Battenkill in New York with a view to the control of its floods; to the Committee on Flood Control.

Also, a bill (H. R. 2683) to authorize a preliminary examination of the Mettawee River in New York with a view to the control of its floods; to the Committee on Flood Control.

By Mr. CANNON of Missouri: A bill (H. R. 2684) to amend the World War Adjusted Compensation Act to extend benefits to provisional officers; to the Committee on Ways and Means.

By Mr. CONNERY: A bill (H. R. 2685) to regulate interstate commerce in goods, wares, and merchandise manufactured, produced, or mined by persons under —— years of age, and for other purposes; to the Committee on Labor.

Also, a bill (H. R. 2686) to provide automatic increases in compensation to employees of the custodial service of the Post Office Department of the United States; to the Committee on the Civil Service.

Also, a bill (H. R. 2687) to reclassify the compensation of head charwoman and charwoman in the custodial service of the Post Office Department of the United States; to the Committee on the Civil Service.

By Mr. DIXON: A bill (H. R. 2688) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music and its contribution to the art of music for the past 50 years; to the Committee on Coinage, Weights, and Measures.

By Mr. GASQUE: A bill (H. R. 2689) to provide pensions for the needy widows and orphans of deceased World War veterans; to the Committee on Pensions.

By Mr. HAINES: A bill (H. R. 2690) granting annual and sick leave with pay to substitutes in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. HILDEBRANDT: A bill (H. R. 2691) to adjust the basis of compensation for overtime services of certain employees in the Postal Service, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. McCORMACK: A bill (H. R. 2692) to provide national flags for the burials of honorably discharged former service men and women; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 2693) to provide for a national cemetery in every State; to the Committee on Military Affairs.

By Mr. McGRATH: A bill (H. R. 2694) authorizing the construction of two lighter-than-air craft and authorizing an appropriation therefor; to the Committee on Naval Affairs.

By Mr. MOSER of Pennsylvania: A bill (H. R. 2695) to amend the act entitled "An act to amend and consolidate the acts respecting copyright", approved March 4, 1909, as amended, and for other purposes; to the Committee on Patents.

By Mr. NICHOLS: A bill (H. R. 2696) authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muskogee or Creek Tribe of Indians, approved March 1, 1901; to the Committee on Indian Affairs.

By Mr. PHILLIPS: A bill (H. R. 2697) concerning the deportation of aliens; to the Committee on Immigration and Naturalization.

By Mr. RAMSPECK (by request): A bill (H. R. 2698) to amend the Classification Act of March 4, 1923, as amended; to the Committee on the Civil Service.

Also (by request), a bill (H. R. 2699) to reclassify salaries of employees in the custodial service of the Post Office Department and in the custodial service of the Treasury Department of the United States, including all positions therein, and for other purposes; to the Committee on the Civil Service.

Also, a bill (H. R. 2700) extending the classified executive civil service of the United States; to the Committee on the Civil Service.

By Mr. STEFAN: A bill (H. R. 2701) to amend an act approved December 17, 1928, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment thereon in claims which the Winnebago Tribe of Indians may have against the United States, and for other purposes"; to the Committee on Indian Affairs.

By Mr. SUMNERS of Texas: A bill (H. R. 2702) to permit grand jury extensions to be ordered by any district judge; to the Committee on the Judiciary.

Also, a bill (H. R. 2703) to provide for the representation of the United States Court of Appeals for the District of Columbia on the annual conference of senior circuit judges; to the Committee on the Judiciary.

Also, a bill (H. R. 2704) to amend the Criminal Code in regard to crimes on the high seas; to the Committee on the Judiciary.

Also, a bill (H. R. 2705) to provide for the manner of inflicting the punishment of death; to the Committee on the Judiciary.

Also, a bill (H. R. 2706) to provide for the appointment of one additional United States district judge for the northern district of Georgia; to the Committee on the Judiciary.

Also, a bill (H. R. 2707) to provide for the appointment of one additional United States district judge for the western district of Washington; to the Committee on the Judiciary.

Also, a bill (H. R. 2708) to provide for the appointment of one additional United States district judge for the southern district of Texas; to the Committee on the Judiciary.

Also, a bill (H. R. 2709) to provide for the appointment of one additional United States district judge for the eastern district of Louisiana; to the Committee on the Judiciary.

By Mr. THOMPSON of Illinois: A bill (H. R. 2710) to amend the World War Adjusted Compensation Act; to the Committee on Ways and Means.

By Mr. VINSON of Kentucky: A bill (H. R. 2711) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. KENNEDY of Maryland: A bill (H. R. 2712) to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, and acts in amendment thereof; to the Committee on the Judiciary.

By Mr. TOLAN: A bill (H. R. 2713) providing for an additional Naval Academy in the San Francisco Bay area in the State of California, and for other purposes; to the Committee on Naval Affairs.

Also, a bill (H. R. 2714) to provide employment for the blind citizens in the United States and its possessions; to the Committee on Labor.

By Mr. BARRY: A bill (H. R. 2715) to reduce the rate of interest on obligations of home owners to the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

Also, a bill (H. R. 2716) to provide for the local delivery rate on certain first-class mail matter; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 2717) consolidating the post offices in the county of Queens, N. Y.; to the Committee on the Post Office and Post Roads.

By Mr. FULMER: A bill (H. R. 2718) to amend the Tariff Act of 1930; to the Committee on Ways and Means.

Also, a bill (H. R. 2719) to reduce the rate of interest on obligations of home owners to the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

Also, a bill (H. R. 2720) authorizing the Reconstruction Finance Corporation to make loans to certain hospitals; to the Committee on Banking and Currency.

Also, a bill (H. R. 2721) providing for Federal crop insurance, imposing a tax therefor, and providing an appropriation therefor; to the Committee on Agriculture.

By Mr. REECE of Tennessee: A bill (H. R. 2722) to amend the World War Adjusted Compensation Act; to the Committee on Ways and Means.

By Mr. PATTERSON: A bill (H. R. 2723) granting equipment allowance to third-class postmasters; to the Committee on the Post Office and Post Roads.

By Mr. DEMPSEY: A bill (H. R. 2724) to provide for the establishment of an agricultural experiment station within the Middle Rio Grande Conservancy District in the State of New Mexico; to the Committee on Agriculture.

By Mr. ANDRESEN of Minnesota: A bill (H. R. 2725) to regulate and control the manufacture, sale, and use of weighing and measuring devices for use or used in trade or commerce, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. VINSON of Kentucky: A bill (H. R. 2726) to reduce internal-revenue taxes on tobacco products; to the Committee on Ways and Means.

By Mr. RANDOLPH: A bill (H. R. 2727) to establish a Board of Civil Service Appeals and to amend an act entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field service", approved March 4, 1923, and for other purposes; to the Committee on the Civil Service.

By Mr. GREEN: A bill (H. R. 2728) to amend the World War Veterans' Act, 1924, as amended, by providing allowances for widows and children and dependent parents of veterans of the World War; to the Committee on World War Veterans' Legislation.

By Mr. KNUTSON: A bill (H. R. 2729) granting an additional pension of $25 per month to all widows who are now or who may hereafter become, on account of age or physical or mental disabilities, helpless or blind or so nearly helpless or blind as to need or require the regular aid and attendance of another person; to the Committee on Pensions.

By Mr. CONNERY: A bill (H. R. 2730) to protect American labor, to insure employment opportunities for America's workers, to increase the purchasing power of America's farmers, to provide markets for the products of America's workers and America's farmers, to relieve the distress created through the entry into American markets of articles, goods, or commodities, the products of foreign workers at total landed costs (including the payment of tariff duties, if any) which are less than the costs of production of similar or comparable articles, goods, or commodities, the products of America's workers and America's farmers; to the Committee on Ways and Means.

By Mr. EICHER: A bill (H. R. 2731) to restore and stabilize agricultural buying power by regulating interstate and foreign commerce, and the value of money, in agricultural commodities of which there is an exportable surplus, to establish a minimum cost of production price for the domestic consumption percentages thereof and to provide for the orderly marketing of the domestic and export percentages thereof, to authorize debentures for processed and manufactured agricultural products for export, and for other purposes; to the Committee on Agriculture.

By Mrs. NORTON: A bill (H. R. 2732) providing retirement pay for the judges of the police court of the District of Columbia, the municipal court of the District of Columbia, and the juvenile court of the District of Columbia; to the Committee on the District of Columbia.

By Mr. DEMPSEY: A bill (H. R. 2733) to restore certain benefits to members of the Civilian Conservation Corps and their dependents; to the Committee on Labor.

Also, a bill (H. R. 2734) to authorize the coinage of 50-cent pieces in commemoration of the four hundredth anniversary of the journey and explorations of Francisco Vasquez de Coronado; to the Committee on Coinage, Weights, and Measures.

By Mr. HAINES: A bill (H. R. 2735) reducing the rates of taxation on tobacco products; to the Committee on Ways and Means.

Also, a bill (H. R. 2736) to regulate the rate of premium on bonds of officers and employees in the motor-vehicle service of the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. SMITH of Washington: A bill (H. R. 2737) to create a Federal Industrial Labor Council, to make agreements in commerce as herein defined irrevocable and enforceable, and for other purposes; to the Committee on Labor.

By Mr. SWEENEY: A bill (H. R. 2738) to extend the provisions of the 40-hour law for postal employees to watchmen and messengers in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. McGROARTY: A bill (H. R. 2879) to authorize the erection of an addition to the existing Veterans' Administration facility, San Fernando, Calif.; to the Committee on World War Veterans' Legislation.

By Mr. CONNERY: Resolution (H. Res. 55) to provide for the services of an assistant clerk to the Committee on Labor; to the Committee on Accounts.

By Mr. BLAND: Resolution (H. Res. 56) providing for an assistant clerk for the Committee on Merchant Marine and Fisheries; to the Committee on Accounts.

By Mr. WHITE of Idaho: Resolution (H. Res. 57) to provide an additional clerk for the Committee on Irrigation and Reclamation; to the Committee on Accounts.

By Mr. NICHOLS: Joint resolution (H. J. Res. 107) making an appropriation for the District of Columbia Airport Commission; to the Committee on Appropriations.

By Mr. DICKSTEIN: Joint resolution (H. J. Res. 108) to amend the Neutrality Act of 1935 (Public Res. No. 67, 74th Cong., 1st sess.) approved August 31, 1935, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CANNON of Wisconsin: Joint resolution (H. J. Res. 109) to amend article III, section 1, of the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MILLS: Joint resolution (H. J. Res. 110) to provide old-age pensions at the rate of $30 per month for all persons who are more than 60 years of age and possess property less than $10,000 in value, or with a net income of less than $1,000 per year; to the Committee on Ways and Means.

By Mr. KENNEY: Joint resolution (H. J. Res. 111) to create a Commission on National Banking Policies; to the Committee on Banking and Currency.

By Mr. CANNON of Missouri: Joint resolution (H. J. Res. 112) for the designation of a street to be known as Missouri Avenue; to the Committee on the District of Columbia.

By Mr. CURLEY: Joint resolution (H. J. Res. 113) authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. McGROARTY: Joint resolution (H. J. Res. 114) to abolish the Bureau of Indian Affairs, to abolish the office of Commissioner of Indian Affairs, to create an Indian Emancipation Commission, and for other purposes; to the Committee on Indian Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nebraska, memorializing the Congress of the United States to increase forthwith the Works Progress Administration allotments of Federal funds for the present emergency needs of the State of Nebraska; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARENDS: A bill (H. R. 2739) granting a pension to Lester Nevada Hays; to the Committee on Invalid Pensions.

By Mr. BIGELOW: A bill (H. R. 2740) for the relief of John N. Brooks; to the Committee on Claims.

By Mr. BOLAND of Pennsylvania: A bill (H. R. 2741) for the relief of John P. Poluke; to the Committee on Military Affairs.

Also, a bill (H. R. 2742) granting a renewal of patent no. 1327755, relating to drawer or shelf lining; to the Committee on Patents.

By Mr. BOYKIN: A bill (H. R. 2743) to amend the act entitled "An act for the relief of J. W. Hearn, Jr.", approved May 1, 1936; to the Committee on Claims.

By Mr. BOYLAN of New York: A bill (H. R. 2744) for the relief of the estate of John Gellatly, deceased, and/or Charlyne Gellatly, individually; to the Committee on Claims.

By Mr. CLUETT: A bill (H. R. 2745) granting an increase of pension to Hulda Bennett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2746) granting an increase of pension to Sophia Rawlins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2747) granting a pension to Louise Stockwell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2748) granting an increase of pension to Ella S. T. Whitbeck; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2749) granting an increase of pension to Georgiana P. Nichols; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2750) granting an increase of pension to Mary Devine; to the Committee on Invalid Pensions.

By Mr. CONNERY: A bill (H. R. 2751) to recognize the high public service rendered by soldiers who volunteered and served in trench-fever experiments in the American Expeditionary Forces; to the Committee on Military Affairs.

By Mr. DEMPSEY: A bill (H. R. 2752) for the relief of Charles E. Miller; to the Committee on Claims.

Also, a bill (H. R. 2753) granting a pension to Mrs. Peter M. Shelley; to the Committee on Pensions.

By Mr. DOUGLAS: A bill (H. R. 2754) granting an increase of pension to Nora White; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2755) granting a pension to Nellie M. Benjamin; to the Committee on Invalid Pensions.

By Mr. DUNCAN: A bill (H. R. 2756) for the relief of certain claimants who suffered loss by flood in, at, or near Sugar Lake, in Platte and Buchanan Counties, in the State of Missouri, during the month of March 1934; to the Committee on Claims.

By Mr. EVANS: A bill (H. R. 2757) to carry out the findings of the Court of Claims in the claim of the Morse Dry Dock & Repair Co.; to the Committee on Claims.

By Mr. FORD of California: A bill (H. R. 2758) for the relief of Fred Pruscha, alias Fred Cole; to the Committee on Military Affairs.

By Mr. FULMER: A bill (H. R. 2759) granting a pension to Samuel R. Preston; to the Committee on Pensions.

By Mr. GINGERY: A bill (H. R. 2760) granting a pension to Laura Alice Hammaker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2761) for the relief of Diemer L. Bathrust; to the Committee on Claims.

Also, a bill (H. R. 2762) for the relief of Walter Francis Meinhart; to the Committee on Naval Affairs.

By Mr. HAINES: A bill (H. R. 2763) for the relief of Paul E. Gluck; to the Committee on Claims.

By Mr. HOFFMAN: A bill (H. R. 2764) granting a pension to Jessie Farr; to the Committee on Invalid Pensions.

By Mr. HOUSTON: A bill (H. R. 2765) granting an increase of pension to Eva Yost; to the Committee on Invalid Pensions.

By Mrs. JENCKES of Indiana: A bill (H. R. 2766) granting a pension to James William Westerfield; to the Committee on Pensions.

By Mr. JOHNSON of West Virginia: A bill (H. R. 2767) for the relief of George L. Stone; to the Committee on Claims.

Also, a bill (H. R. 2768) for the relief of James L. Barnett; to the Committee on the Civil Service.

By Mr. KENNEDY of Maryland (by request): A bill (H. R. 2769) for the relief of Frank Dauwe, Alberto Esparza, Frank Van den Hende, Germain Van der Poorten, and Cesar Van Overbenborger; to the Committee on Claims.

Also, a bill (H. R. 2770) for the relief of the Charles T. Miller Hospital, Inc., at St. Paul, Minn.; Dr. Edgar T. Herrmann; Ruth Kehoe; and Catherine Foley; to the Committee on Claims.

Also, a bill (H. R. 2771) for the relief of Harold W. Snell; to the Committee on Claims.

Also, a bill (H. R. 2772) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; to the Committee on Claims.

Also, a bill (H. R. 2773) to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War; to the Committee on Claims.

Also, a bill (H. R. 2774) for the relief of certain employees of the Division of Investigation, Department of the Interior, and certain disbursing officers of the Department of the Interior; to the Committee on Claims.

By Mr. KNUTSON: A bill (H. R. 2775) granting a pension to Augusta M. Coontz; to the Committee on Pensions.

By Mr. KRAMER: A bill (H. R. 2776) for the relief of Harry B. McCollister; to the Committee on Military Affairs.

By Mr. LUCKEY of Nebraska: A bill (H. R. 2777) for the relief of the Franklin Ice Cream Co.; to the Committee on War Claims.

By Mr. McGRATH: A bill (H. R. 2778) granting the retired pay and allowances, commensurate with the rank and grade, of Lt. Col. Edmund Sears Sayer, United States Marine Corps, retired; to the Committee on Military Affairs.

Also, a bill (H. R. 2779) for the relief of Lilly Bundgard and Gloria Bundgard; to the Committee on Claims.

By Mr. McGROARTY: A bill (H. R. 2780) for the relief of William Blakely, as administrator of the estate of Joseph Blakeley, deceased; to the Committee on Claims.

Also, a bill (H. R. 2781) for the relief of Rev. Harry J. Hill; to the Committee on Claims.

Also, a bill (H. R. 2782) for the relief of William Blakely; to the Committee on War Claims.

By Mr. MASON: A bill (H. R. 2783) for the relief of Arthur L. Johnson; to the Committee on Claims.

By Mr. MEAD: A bill (H. R. 2784) for the relief of Veronica Pasierbowicz; to the Committee on Immigration and Naturalization.

By Mr. MITCHELL of Illinois: A bill (H. R. 2785) for the relief of the heirs of Prof. William H. H. Hart, principal of the Hart Farm School and Junior Republic for Dependent Children; to the Committee on Claims.

By Mr. NICHOLS: A bill (H. R. 2786) for the relief of F. B. Stem; to the Committee on Claims.

By Mr. O'CONNELL of Montana: A bill (H. R. 2787) for the relief of Mr. and Mrs. Fred Hausauer; to the Committee on Claims.

Also, a bill (H. R. 2788) for the relief of Mike Chetkovich; to the Committee on War Claims.

By Mr. PEYSER: A bill (H. R. 2789) for the relief of Cohen, Goldman & Co., Inc.; to the Committee on Claims.

By Mr. POLK: A bill (H. R. 2790) granting an increase of pension to Anna M. Parish; to the Committee on Invalid Pensions.

By Mr. RAYBURN: A bill (H. R. 2791) for the relief of Frank W. Childress; to the Committee on Claims.

By Mr. REECE of Tennessee: A bill (H. R. 2792) for the relief of M. F. Powers; to the Committee on Claims.

Also, a bill (H. R. 2793) granting a pension to Annie Hankal; to the Committee on Pensions.

By Mr. RANDOLPH: A bill (H. R. 2794) to provide compensation for Walter L. Helbig for injuries received at the navy yard in Washington, D. C.; to the Committee on Claims.

By Mr. REES of Kansas: A bill (H. R. 2795) granting a pension to Mary Beck; to the Committee on Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 2796) granting a pension to Howard Henderson Richardson; to the Committee on Pensions.

Also, a bill (H. R. 2797) for the relief of Eaph Toler; to the Committee on Claims.

Also, a bill (H. R. 2798) for the relief of Howard Henderson Richardson; to the Committee on Military Affairs.

By Mr. SACKS: A bill (H. R. 2799) for the relief of Bernard Joseph McDermott; to the Committee on Naval Affairs.

Also, a bill (H. R. 2800) for the relief of Gus Piscitelli; to the Committee on Military Affairs.

By Mr. SHEPPARD: A bill (H. R. 2801) for the relief of Claude Curteman; to the Committee on Claims.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 2802) for the relief of W. A. Merrill Sons & Co., Inc.; to the Committee on Claims.

By Mr. SPENCE: A bill (H. R. 2803) authorizing the President of the United States to appoint Sgt. Samuel Woodfill a captain in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. STACK: A bill (H. R. 2804) for the relief of Emma L. Albrecht; to the Committee on Foreign Affairs.

Also, a bill (H. R. 2805) for the relief of James McColligan; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado: A bill (H. R. 2806) granting a pension to George Williams; to the Committee on Pensions.

Also, a bill (H. R. 2807) granting a pension to Hattie Alexander Norris; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 2808) for the relief of William Allen; to the Committee on Military Affairs.

Also, a bill (H. R. 2809) granting a pension to Adam Anderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2810) granting a pension to Maggie Allen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2811) granting a pension to Luticia C. Anderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2812) for the relief of Frank Adrian; to the Committee on Military Affairs.

Also, a bill (H. R. 2813) granting a pension to Angie Armstrong; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2814) granting a pension to Betsy Ann Boles; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2815) granting a pension to Lena M. Burnett; to the Committee on Pensions.

Also, a bill (H. R. 2816) granting a pension to Belle Cannon; to the Committee on Pensions.

Also, a bill (H. R. 2817) for the relief of George Baker; to the Committee on Claims.

Also, a bill (H. R. 2818) granting a pension to Anna Dabney; to the Committee on Pensions.

Also, a bill (H. R. 2819) granting an increase of pension to Louisiana Cabe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2820) for the relief of William Clevenger; to the Committee on Military Affairs.

Also, a bill (H. R. 2821) granting a pension to Jane Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2822) granting a pension to Phoebe Fite; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2823) for the relief of John Albert Farne; to the Committee on Naval Affairs.

Also, a bill (H. R. 2824) granting an increase of pension to Elizabeth Guy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2825) granting a pension to Sarah J. Green; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2826) for the relief of Frank Stirk Hailey; to the Committee on Claims.

Also, a bill (H. R. 2827) for the relief of Jacob Wane Hammel; to the Committee on Naval Affairs.

Also, a bill (H. R. 2828) for the relief of F. E. Hall; to the Committee on Claims.

Also, a bill (H. R. 2829) granting a pension to Hannah T. Heaton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2830) granting a pension to Ebb Hundley; to the Committee on Pensions.

Also, a bill (H. R. 2831) for the relief of Howard Hollis Hammack; to the Committee on Military Affairs.

Also, a bill (H. R. 2832) for the relief of Walter B. Johnson and others; to the Committee on Claims.

Also, a bill (H. R. 2833) granting a pension to Garfield Hampton; to the Committee on Pensions.

Also, a bill (H. R. 2834) granting an increase of pension to Van Letsinger; to the Committee on Pensions.

Also, a bill (H. R. 2835) granting a pension to Susan Elizabeth Jeffers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2836) granting a pension to Vada Cross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2837) granting a pension to Christine Ledford; to the Committee on Pensions.

Also, a bill (H. R. 2838) granting a pension to Zubie Owens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2839) granting a pension to Dicie Overbey; to the Committee on Pensions.

Also, a bill (H. R. 2840) granting a pension to Hattie Prewitt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2841) for the relief of Virgil O. Powell et al.; to the Committee on Claims.

Also, a bill (H. R. 2842) granting a pension to Spurgeon C. Portwood; to the Committee on Pensions.

Also, a bill (H. R. 2843) for the relief of M. E. Parmalee; to the Committee on Military Affairs.

Also, a bill (H. R. 2844) for the relief of Bob Quillen; to the Committee on Military Affairs.

Also, a bill (H. R. 2845) for the relief of William W. Perryman; to the Committee on Military Affairs.

Also, a bill (H. R. 2846) for the relief of Arthur D. Sullivan; to the Committee on Claims.

Also, a bill (H. R. 2847) for the relief of George Rayfield; to the Committee on Claims.

Also, a bill (H. R. 2848) granting a pension to Elizabeth Tuttle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2849) authorizing the President of the United States to appoint Corp. Robert Slover as a first lieutenant in the United States Marine Corps and place him on the retired list; to the Committee on Naval Affairs.

Also, a bill (H. R. 2850) for the relief of James W. Webster; to the Committee on Military Affairs.

Also, a bill (H. R. 2851) granting a pension to Carl D. Waters; to the Committee on Pensions.

Also, a bill (H. R. 2852) granting a pension to Martha Wyatt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2853) granting a pension to Allie M. Walker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2854) granting a pension to Louisa Weaver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2855) granting a pension to Horace V. White; to the Committee on Pensions.

Also, a bill (H. R. 2856) for the relief of Samuel H. Kesterson; to the Committee on Claims.

Also, a bill (H. R. 2857) granting a pension to Lizzie Wilshire; to the Committee on Pensions.

By Mr. WHITE of Ohio: A bill (H. R. 2858) granting an increase of pension to Rachel M. Kuhn; to the Committee on Invalid Pensions.

By Mr. WILCOX: A bill (H. R. 2859) for the relief of Frank Anderson; to the Committee on Claims.

Also, a bill (H. R. 2860) for the relief of Walter W. Johnston; to the Committee on War Claims.

By Mr. WILLIAMS: A bill (H. R. 2861) granting a pension to Nancy V. Mosher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2862) granting a pension to Annie McKown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2863) granting an increase of pension to Ida Nagel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2864) granting a pension to Mary E. Mecomber; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2865) granting a pension to Mary M. Norris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2866) granting a pension to Frances E. Newton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2867) granting a pension to Ella Strutton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2868) granting a pension to Annie Rhodes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2869) granting a pension to Malisa Maze; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2870) granting a pension to Margaret F. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2871) granting a pension to Annie C. Linthicum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2872) granting a pension to Ruah L. Martin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2873) granting a pension to Nan A. Benson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2874) granting a pension to Eddie Bassett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2875) granting a pension to James E. Hamilton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2876) granting a pension to Sarah K. Copeland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2877) granting a pension to Emma Knight; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2878) granting a pension to Etta Janes; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

15. By the SPEAKER: Resolution of the National Pension League of Los Angeles, Calif., providing for an emergency pension, of a tax levied and collected by the Government of these United States to provide an emergency pension for those who have been citizens of the United States for 15 years; to the Committee on Ways and Means.

16. Also, resolution of the Maritime and Transportation Servicemen's Union of the Pacific Coast, of San Francisco, Calif., concerning the Copeland Act or Merchant Marine Act; to the Committee on Merchant Marine and Fisheries.

17. Also, resolution of the Council of the City of Cuyahoga Falls., Ohio, urging the continuance of adequate direct relief in the form of Works Progress Administration; to the Committee on Appropirations.

18. By Mr. BLAND: Resolution of the Gloucester County petroleum industries committee, urging immediate repeal of the Federal lubricating-oil tax; to the Committee on Ways and Means.

19. Also, resolution adopted November 10, 1936, by the Gloucester County petroleum industries committee, urging immediate repeal of the Federal gasoline tax; to the Committee on Ways and Means.

20. Also, resolution of the Mathews executive committee, Mathews, Va., urging immediate repeal of the Federal gasoline tax; to the Committee on Ways and Means.

21. Also, resolution of the Mathews County petroleum industries committee, Mathews, Va., urging immediate repeal of Federal lubricating-oil tax; to the Committee on Ways and Means.

22. Also, resolution of the Northampton County petroleum industries committee, of Cape Charles, Va., urging an immediate repeal of the Federal lubricating-oil tax; to the Committee on Ways and Means.

23. Also, resolution of the Northampton County petroleum industries committee, Cape Charles, Va., urging an immediate repeal of the Federal gasoline tax; to the Committee on Ways and Means.

24. By Mr. BLOOM: Petition of the power-house employees at Ellis Island, requesting an increase in their annual salaries; to the Committee on the Civil Service.

25. By Mr. JOHNSON of Texas: Petition of Jake Stubbs, secretary of the Mexia Chamber of Commerce, Mexia, Tex., urging the need of emergency crop loans for 1937; to the Committee on Agriculture.

26. By Mr. KRAMER: Resolution of the Lumber and Allied Products Institute of Los Angeles, endorsing the program of the Federal Housing Administration under title II of the National Housing Act; to the Committee on Banking and Currency.

27. Also, resolution of Aviators' Post, No. 350, of the American Legion, Department of California, pertaining to petitioning Congress to amend its rules of procedure so as to provide for standing committees on civil aeronautics, etc.; to the Committee on World War Veterans' Legislation.

28. By Mr. TINKHAM: Resolutions of United States Storekeeper-Gaugers' Association of New England, requesting a per-diem allowance to storekeeper-gagers when assigned away from their bona-fide homes, and for an increase in salary at stated intervals; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 13, 1937

The House met at 12 o'clock meridian.

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

The Lord God is a sun and shield: the Lord will give grace and glory: no good thing will he withhold from them that walk uprightly.

Heavenly Father, we pray that this living truth may defy our doubts, break through our prejudices, and triumph over our fears. Enfold us with a sense of Thy nearness and let Thy spirit give insight of mind and tranquillity of soul. Only as we submit ourselves to Thy direction do our highest possibilities show forth the wisest decisions. Inspire us to do the right as we know the right and defend the truth as we know the truth. O Divine Love, Thou art never far from us. Come to those who are ill, answer their need in tenderness, and bless them with a wealth of strength and with a richer wealth of love. In every crisis may we keep our anchorage to Thee unbroken. In our Savior's name. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 106. Joint resolution to exempt from the tax on admissions amounts paid for admission tickets sold by authority of the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President-elect in January 1937.

SWEARING IN OF MEMBER

The SPEAKER. Pursuant to the authority conferred upon the Speaker by House Resolution 39, Seventy-fifth Congress, the Chair appoints Hon. William E. Thorpe, county judge of Greene County, N. Y., to administer the oath of office to Hon. PHILIP ARNOLD GOODWIN at Coxsackie, N. Y.

PERMISSION TO FILE REPORT

Mr. O'CONNOR of New York. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file perhaps three reports.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from New York inform us to what legislation these reports will relate?

Mr. O'CONNOR of New York. They pertain, if the Rules Committee reports, to the matters contained in the President's message of yesterday as to the reorganization of the Government.

Mr. MARTIN of Massachusetts. Is there any particular reason for asking that we have until midnight tonight to put in our report? Why could we not bring it in tomorrow? What is the reason?

Mr. O'CONNOR of New York. We might want to act on it tomorrow and it would have to lay over for 1 day.

Mr. SNELL. Mr. Speaker, reserving the right to object, does the gentleman mean that he is going to force the entire reorganization program through immediately without any consideration in this House?

Mr. O'CONNOR of New York. Oh, no; nothing like that at all. Any reports from the Committee on Rules would pertain to how the matter would be handled by committees, or similar set-ups.

Mr. SNELL. But the gentleman does not expect to bring the legislation in here immediately?

Mr. O'CONNOR of New York. Oh, no; not at all.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from New York a question: Will the gentleman call to the attention of the Members of the House the letter appearing in yesterday's RECORD written by Senator GLASS in reference to a radio speech by Senator BYRD in reference to reorganization? If the Members of the House of Representatives will read that letter of the Senator they will find it a mighty fine letter.

The SPEAKER. The gentleman from Pennsylvania will suspend a moment.

The Chair desires to call the attention of the gentleman from Pennsylvania to the rules of the House which forbid reference being made on the floor of the House to the activities of the Members of the Senate.

Does the gentleman object to the request of the gentleman from New York?

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. Mr. Speaker, I asked the chairman of the Committee on Rules a question, and he recognized me. I wanted him to call to the attention of the Members of the House the letter of the Senator from Virginia.

The SPEAKER. In the first place, the Chair does not think the gentleman has submitted a parliamentary inquiry. In the second place, the gentleman from New York would not be entitled to reply to a question which violated the rules of the House.

Mr. RICH. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. Do I understand I am not permitted to say anything in reference to any Senator or what he has said? Is this the ruling of the Chair?

The SPEAKER. If the gentleman will read the rules he will find they prohibit any reference on the floor to votes or statements made upon the floor of the Senate.

Mr. GIFFORD. Mr. Speaker, I wish to propound a parliamentary inquiry.