qua, Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. STARNES: A bill (H. R. 10611) to extend the times for commencing and completing the construction of a bridge across the Coosa River at or near Gilberts Ferry in Etowah County, Ala.; to the Committee on Interstate and Foreign Commerce.

By Mr. BLAND: Resolution (H. Res. 498) providing for an investigation and study of the Committee on Merchant Marine and Fisheries; to the Committee on Rules.

By Mr. MAVERICK: Joint resolution (H. J. Res. 680) to establish within the Department of State an Institute of Friendly American Relations; to carry out the obligations assumed by the United States in the convention for the promotion of Inter-American Cultural Relations, signed at Buenos Aires, December 23, 1936; to promote good will between the citizens of the United States and the citizens of other American republics, and to provide for the exchange of students and professors between the United States and the other American Republics; to provide for scholarships; to promote trade and business relations between the United States and the other American Republics; to establish a radio station for the dissemination of information in the English, Spanish, and Portuguese languages, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BLOOM: Joint resolution (H. J. Res. 681) to amend the Naturalization Act of June 29, 1906 (34 Stat. 596), as amended; to the Committee on Immigration and Naturalization.

By Mr. HAMILTON: Joint resolution (H. J. Res. 682) to provide for temporary operation by the United States of certain steamships, and for other purposes; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. JOHNSON of West Virginia: A bill (H. R. 10612) to authorize and direct the Commissioners of the District of Columbia to set aside the trial-board conviction of Policeman Clarence D. Cunningham and his resultant dismissal, and to reinstate Clarence D. Cunningham to his former position as member of the Metropolitan Police Department; to the Committee on the District of Columbia.

By Mr. O'BRIEN of Illinois: A bill (H. R. 10613) for the relief of Giuseppe Noce; to the Committee on Immigration and Naturalization.

By Mr. RANDOLPH: A bill (H. R. 10614) for the relief of Irene R. Brooks; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10615) granting an increase of pension to Christopher C. Popejoy; to the Committee on Pensions.

By Mr. THOMASON of Texas: A bill (H. R. 10616) for the relief of J. H. Marchbanks; to the Committee on Claims.

By Mr. THURSTON: A bill (H. R. 10617) for the relief of Henry Jefferson Black, deceased; to the Committee on Military Affairs.

PETITIONS, ETC.

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

5096. By Mr. ANDREWS: Resolution adopted by the Buffalo Lodge of the International Brotherhood of Boiler Makers, Iron Shipbuilders and Helpers, favoring enactment of House bill 10127; to the Committee on Interstate and Foreign Commerce.

5097. Also, resolution adopted by the New Deal Lodge, No. 380, of the Brotherhood of Railway Carmen of America, favoring enactment of House bill 10127; to the Committee on Interstate and Foreign Commerce.

5098. By Mr. BREWSTER: Petition of 3,148 members of the Veterans of Foreign Wars to keep America out of war, supported by a national defense program adequate to preserve and protect our country and its people; to the Committee on Foreign Affairs.

5099. Also, petition of 765 members and sympathizers of the Newport Townsend Club, No. 1, of Newport, Maine, demanding that House bill 4199, General Welfare Act, be brought up on the floor of this present Congress for discussion; to the Committee on Ways and Means.

5100. Also, petition of the Woman's Christian Temperance Union of Caribou, Maine, signed by 166 members, urging the passage of legislation which will stop, so far as is possible, by Federal law the great advertising campaign for the sale of alcoholic beverages now going on by press and radio; to the Committee on Interstate and Foreign Commerce.

5101. By Mr. COLE of New York: Petition of the General Welfare Association of Elmira, N. Y.; to the Committee on Ways and Means.

5102. By Mr. CROWTHER: Petition of the Schenectady (N. Y.) Industrial Union Council, urging favorable action on the amendment to House Joint Resolution 527; to the Committee on Foreign Affairs.

5103. By Mr. FITZPATRICK: Petition of the American Labor Party of the lower fifth assembly district, Bronx, New York City, N. Y., endorsing the wage and hour bill; to the Committee on Labor.

5104. Also, petition of the American Labor Party of the lower fifth assembly district, Bronx, New York City, N. Y., urging the immediate enactment of the relief bill; to the Committee on Ways and Means.

SENATE

THURSDAY, MAY 12, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, May 11, 1938, 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 agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9682) to provide revenue, equalize taxation, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 623) making available additional funds for the United States Constitution Sesquicentennial Commission, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. BARKLEY. 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	Byrnes	Green	Lundeen
Andrews	Capper	Guffey	McAdoo
Ashurst	Caraway	Hale	McCarran
Austin	Chavez	Harrison	McGill
Bailey	Clark	Hatch	McKellar
Bankhead	Copeland	Hayden	McNary
Barkley	Davis	Herring	Maloney
Berry	Dieterich	Hill	Miller
Bilbo	Donahey	Hitchcock	Milton
Bone	Duffy	Holt	Minton
Borah	Ellender	Johnson, Calif.	Murray
Brown, Mich.	Frazier	Johnson, Colo.	Neely
Brown, N. H.	George	King	Norris
Bulkley	Gerry	La Follette	O'Mahoney
Bulow	Gibson	Lodge	Overton
Burke	Gillette	Logan	Pittman
Byrd	Glass	Lonergan	Pope

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Radcliffe	Shipstead	Truman	Walsh
Reynolds	Smathers	Tydings	Wheeler
Russell	Thomas, Okla.	Vandenberg	White
Schwartz	Thomas, Utah	Van Nuys	
Sheppard	Townsend	Wagner	

Mr. MINTON. I announce that the Senator from Delaware [Mr. HUGHES], the Senator from Oregon [Mr. REAMES], and the Senator from Washington [Mr. SCHWELLENBACH] are detained from the Senate because of illness.

The Senator from Texas [Mr. CONNALLY], the Senator from Illinois [Mr. LEWIS], the Senator from Florida [Mr. PEPPER], and the Senator from South Carolina [Mr. SMITH] are detained on important public business.

The Senator from Oklahoma [Mr. LEE] is absent because of illness in his family.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent from the Senate.

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

SENATOR FROM ALABAMA

Mr. BANKHEAD. Mr. President, I present the credentials of my colleague, Hon. LISTER HILL, Senator-elect from Alabama, under a special election held on April 26.

The VICE PRESIDENT. The credentials will be read.

The Chief Clerk read as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 26th day of April 1938 LISTER HILL was duly chosen by the qualified electors of the State of Alabama a Senator from said State to represent the State of Alabama in the Senate of the United States for the unexpired term of Senator Hugo L. Black, resigned.

Witness: His Excellency our Governor, Bibb Graves, of Alabama, and our seal hereto affixed at the capitol, in the city of Montgomery, this May 6, A. D. 1938.

By the Governor:

[SEAL] BIBB GRAVES, *Governor.*

Attest:

HOWELL TURNER, *Secretary of State.*

The VICE PRESIDENT. The credentials will be placed on file.

Mr. BANKHEAD. Mr. President, my colleague [Mr. HILL] is present, and I ask that he be permitted to take the oath at this time.

The VICE PRESIDENT. If the Senator will present himself at the desk, the oath of office will be administered.

Mr. HILL, escorted by Mr. BANKHEAD, advanced to the Vice President's desk, and, the oath prescribed by law was administered to him.

PROHIBITION OF BLOCK BOOKING AND BLIND SELLING

Mr. NEELY. Mr. President, yesterday I gave notice that when the Senate convened today I would move to lay aside temporarily the unfinished business, the so-called civil aeronautics bill, and proceed to the consideration of Senate bill 153, which is designed to prohibit block booking and blind selling in the moving-picture industry. But some of the supporters of the anti-block-booking bill believe that an attempt to change the existing order of business would serve no good purpose. Upon their request I postpone the making of my motion. It will be submitted in the near future, and all available means will be utilized in behalf of its success.

PRINTING AND BINDING OF PUBLIC DOCUMENTS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting a draft of proposed legislation to amend an act entitled "An act providing for the public printing and binding and the distribution of public documents," approved January 12, 1895, as amended, which, with the accompanying papers, was referred to the Committee on Printing.

RATIFICATION OF STATUTES OF PUERTO RICO

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to provide for the ratification of all joint resolutions of the Legislature of Puerto Rico and of the former legislative assembly, which, with the accompanying papers, was referred to the Committee on Territories and Insular Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Kings County Consolidated Civic League and the Sheepshead Bay Property Owners' Association, of Brooklyn, N. Y., favoring an amendment to the Federal Housing Act permitting home owners reasonable time in which to redeem their property after foreclosure, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by Western Shore Lodge, No. 71, Brotherhood of Railroad Trainmen, of Oakland, Calif., favoring the adoption of the resolution (S. Res. 266) increasing the limit of expenditures for the investigation of violations of the right of free speech and assembly and interference with the right of labor to organize and bargain collectively, which was ordered to lie on the table.

Mr. TYDINGS presented a petition of sundry citizens of the State of Maryland, praying that the Government continue its policy to keep the United States out of foreign wars, which was referred to the Committee on Foreign Relations.

Mr. COPELAND presented a resolution adopted by Poughkeepsie Typographical Union, No. 315, of Poughkeepsie, N. Y., favoring a congressional investigation of the newspaper print stock, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the legislative committee of the Central Labor Council of Buffalo, N. Y., favoring an amendment to the Social Security Act to penalize the employer or his agent for failure to pay tax or to file reports under the Social Security Act, which was referred to the Committee on Finance.

He also presented a resolution adopted by D. Hopkins Lodge, No. 1, Brotherhood of Railroad Trainmen, of Oneonta, N. Y., favoring the adoption of the resolution (S. Res. 266) increasing the limit of expenditures for the investigation of violations of the right of free speech and assembly and interference with the right of labor to organize and bargain collectively, which was ordered to lie on the table.

Mr. WAGNER presented resolutions adopted by the First Ward Democratic Club of Yonkers, Inc., and Optical Workers Union No. 18579, of Rochester, both in the State of New York, which were referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

FIRST WARD DEMOCRATIC CLUB OF YONKERS, INC.,
Yonkers, N. Y., May 10, 1938.

Hon. ROBERT WAGNER,
Senate Office Building, Washington, D. C.

DEAR SIR: At a recent meeting of the First Ward Democratic Club of Yonkers, Inc., the following resolution was adopted:

"*Resolved,* That the First Ward Democratic Club of Yonkers, Inc., in meeting duly assembled on April 11, 1938, does hereby ratify and approve the President's policies with respect to finances and pump priming; and it is further

"*Resolved,* That a copy of this resolution be forwarded to our Representative in Congress and to our United States Senators; and be it further

"*Resolved,* That this organization wholeheartedly endorses the administration in its fiscal policies."

Very truly yours,

FIRST WARD DEMOCRATIC CLUB OF YONKERS, INC.
MARY O'CONNOR, *Secretary.*

Whereas Franklin Delano Roosevelt, President of these United States of America, having been duly elected by the majority of the people to get this country of ours back on its feet, has tried to do a very good job;

Whereas whatever the President has tried to do, or laws that have been put into effect to help all the working people, the reactionaries on all sides, and groups of all sorts, have done all they could to prevent him from gaining his aims;

Whereas since the President has been reelected to another term by a bigger majority than the first time, these same reactionaries and groups, more than ever before, are trying to stop him from putting into effect his program to help the people who have put him into office, to do the things that will bring back recovery and prosperity, and the abundant life that belongs to each and every one of the United States: Be it

Resolved, That members of Optical Workers Union 18579, of Rochester, N. Y., go on record as being 100 percent behind the President in his recovery program; also be it

Resolved, That a copy of this resolution be sent to the President himself, William Green, president of the American Federation of Labor, and all of our representatives.

Mr. WAGNER also presented a letter in the nature of a petition from the New York State Federation of Labor, Albany, N. Y., which was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

THE NEW YORK STATE FEDERATION OF LABOR,
Albany, N. Y., May 10, 1938.

Hon. ROBERT F. WAGNER,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR: The New York State Federation of Labor respectfully informs you that it has endorsed and urges the passage by Congress of the amendments to the United States Housing Act contained in S. 3911, introduced by Senator ROBERT F. WAGNER, and H. R. 10417, introduced by Congressman HENRY B. STEAGALL.

These amendments will serve to enlarge the scope of the low-rent housing program, to expedite the actual construction of low-rent housing projects, and to make these projects available to wage earners and their families at an earlier date.

We sincerely hope that these helpful and necessary amendments to the United States Housing Act will receive your influential support and be speedily enacted by the Congress.

Sincerely yours,

NEW YORK STATE FEDERATION OF LABOR,
J. M. O'HANLON, *Secretary-Treasurer.*

Mr. WAGNER also presented a petition of sundry citizens of Buffalo, N. Y., which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, without the signatures, as follows:

MAY 8, 1938.

Hon. R. WAGNER,
Washington, D. C.

DEAR SIR: We, the mothers and fathers of boys who have been reared with greatest care and sacrifice that they may be useful citizens to the land in which they live—

Being fully conscious of the grave situations in the world today—

Being also fully convinced that all international controversies can be settled peaceably—

Being aware of the importance of Congressmen knowing the mind of the voters—

And being opposed to sacrificing the lives of our sons in a war—

Do hereby, on this Mother's Day, petition you to use every effort to keep the United States at peace with the nations of the world, even at a sacrifice of some of our wealth and prestige.

Mr. WAGNER also presented a resolution adopted by Optical Workers Union No. 18579, of Rochester, N. Y., which was ordered to lie on the table and to be printed in the RECORD, as follows:

OPTICAL WORKERS UNION NO. 18579,
Rochester, N. Y., May 7, 1938.

To Our Representatives:

Members of Optical Workers Union 18579, of Rochester, N. Y., have gone on record as 100 percent in favor of the wage and hour bill, soon to come up before you.

Although this bill is not what we really want and should have, we believe it to be a step forward, and that eventually our goal will be realized.

Our wish is that you, as our representative, give this bill your full consideration, and that you will vote "yes," in favor of, and help us in our cause to help all the working people.

Please let us know of your stand on this matter.

Respectfully,

CHARLES R. STIEGEL,
Secretary, Optical Workers Union 18579.

Mr. WAGNER also presented resolutions adopted by D. Hopkins Lodge, No. 1, of Oneonta, and Middletown Lodge, No. 40, of Middletown, both of the Brotherhood of Railroad Trainmen, in the State of New York, which were ordered to lie on the table and to be printed in the RECORD, as follows:

BROTHERHOOD OF RAILROAD TRAINMEN,
D. HOPKINS LODGE, NO. 1,
Oneonta, N. Y., May 10, 1938.

Hon. ROBERT F. WAGNER,
Senate Chamber, Washington, D. C.

DEAR SIR: At the meeting of this lodge held May 2, 1938, the following resolution was adopted:

"Whereas the La Follette committee, known as the Civil Liberties Committee, is asking Congress for an appropriation of $60,000 to probe into the labor-spy racket; and

"Whereas in view of the fact that this committee has done an excellent piece of work exposing antiunion activities by many large firms and industries, and

"Whereas this committee has shown where thugs and scabs have been furnished to industrialists, and

"Whereas our organization is strictly a union body and upholds only union organizations, and: Therefore be it

"*Resolved*, That Daniel Hopkins Lodge, No. 1, Brotherhood of Railroad Trainmen, go on record in support of the La Follette committee; and be it further

"*Resolved*, That we ask our Senators and Congressmen to give their support to this appropriation."

Yours truly,

LEWIS W. HODGES,
Secretary, Lodge No. 1.

BROTHERHOOD OF RAILROAD TRAINMEN,
MIDDLETOWN LODGE, NO. 40,
Middletown, N. Y., May 10, 1938.

Hon. ROBERT F. WAGNER,
Washington, D. C.

DEAR SIR: At the last regular meeting of Middletown Lodge No. 40, held on May 9, 1938, the following resolution was adopted:

The members of Middletown Lodge, No. 40, Brotherhood of Railroad Trainmen, go on record urging favorable action on the appropriation for the La Follette committee, as we think this committee is doing an excellent piece of work.

Yours truly,

G. P. TWADDELL,
Secretary, Lodge No. 40.

AMENDMENTS TO HOUSING ACT—LETTER FROM AMERICAN FEDERATION OF LABOR

Mr. WAGNER. Mr. President, I present a letter which is signed by Mr. William Green, president of the American Federation of Labor, and Mr. Harry C. Bates, chairman of the housing committee of the American Federation of Labor, and ask that the letter be read by the clerk.

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

The Chief Clerk read as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., May 4, 1938.

Hon. ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR WAGNER: On behalf of the American Federation of Labor we wish to express our unqualified support of the amendments to the United States Housing Act contained in S. 3911, introduced by you on April 26, 1938.

During the past 6 months the United States Housing Authority has been intensively and energetically clearing the field of low rent public housing for action. The passage of State and local enabling acts, the creation of a large number of new local housing authorities, the study of the local housing needs, and the preparation of projects which would effectively bring the rents within the reach of low-income groups—all of these actions have cleared the way to prompt initiation and rapid development of local low-rent housing and slum clearance projects.

Over $310,000,000 have been specifically earmarked for local housing projects in all parts of the country by the United States Housing Authority, and requests have been received for additional earmarkings which would consume the balance of the $500,000,000 loan authorization provided for in the United States Housing Act of 1937. Contracts for loans and annual contributions have been entered into with nine local housing authorities totaling $53,500,000 in loans for projects whose cost will total about $60,000,000. Because policies, questions of local procedures, and all preliminary details have been thoroughly cleared away beforehand, further earmarking, consummation of new local contracts, and actual loan payments can and will proceed at a rapidly accelerated pace.

Under the terms of the present act, however, the United States Housing Administration program is limited in scope in several respects. The amendment which you proposed, while retaining reasonable and practical limits upon the scope of the program, will permit the United States Housing Administration to take care of the most pressing local housing needs and provide employment for building-trades mechanics and laborers in all parts of the country.

Your amendment increases the authorized bond issue to raise money for loan purposes by $500,000,000. Inasmuch as it generally takes about 18 months to complete a project, and the loan contracts must necessarily cover the complete construction costs of the project, it is clear that the United States Housing Administration must have authority to plan and make loan contracts on the scale of a much larger authorization than the amount of money it can actually put into circulation in the next calendar year. In view of this the additional authorization for borrowing to the extent of $500,000,000 will be absolutely essential to enable the United States Housing Administration to get $300,000,000 into circulation in the course of the present calendar year.

In addition, the amendment increases the amount of annual contributions (the payment of which will begin after the projects

are completed, but which must be contracted simultaneously with a capital-loan contract) to $50,000,000 for this year. This provision will meet the needs of the proposed expanded loan program. While it does not involve any additional appropriations, the amendment effectively accelerates the rate of expenditure which the United States Housing Administration can maintain during this year.

Finally, the amendment removes for the current year the requirement of 10 percent local participation in the capital loans to local housing authorities in those localities where such requirement blocks speedy action. In practically every instance the 10-percent local contribution required by the act must be raised by borrowing. Under the terms of the amendment the local housing authority will be enabled to obtain the remaining 10 percent from the United States Housing Administration instead of the local lending agencies. This will eliminate delays incident to local borrowing and will make projects available to those local housing authorities which are unable to borrow their 10 percent from local sources. This change is not only important but also sound and desirable, because it will markedly improve the financial security of the Federal Government.

The provisions contained in this amendment will serve to enlarge the scope of the low-rent housing program, will expedite the actual construction of low-rent housing projects, and will make these projects available to wage earners and their families at an earlier date.

The amendment is in full accord with the principles embodied by President Roosevelt in his message to Congress of April 14. It is in full accord with the views unanimously expressed by the convention of the American Federation of Labor held last October. On behalf of the officers and members of the American Federation of Labor unions throughout the Nation we urge speedy enactment of this amendment in the form in which it was introduced by you.

Very truly yours,

WM. GREEN,
President, American Federation of Labor.
HARRY C. BATES,
Chairman, Housing Committee, American Federation of Labor.

REPORTS OF COMMITTEES

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, to which was referred the bill (S. 3722) to amend sections 7, 14, and 20 of the organic act of the Virgin Islands of the United States (49 Stat. 1807), reported it with an amendment and submitted a report (No. 1787) thereon.

Mr. JOHNSON of Colorado, from the Committee on Military Affairs, to which was referred the bill (H. R. 9721) authorizing the disbursement of funds appropriated for compensation of help for care of material, animals, armament, and equipment in the hands of the National Guard of the several States, Territories, and the District of Columbia, and for other purposes, reported it with an amendment and submitted a report (No. 1788) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 4000) to authorize appropriations for construction and rehabilitation at military posts, and for other purposes, reported it with an amendment and submitted a report (No. 1789) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the bill (S. 3699) authorizing the Library of Congress to acquire by purchase, or otherwise, the whole, or any part, of the Charles Cotesworth Pinckney papers now in the possession of Harry Stone, of New York City, reported it with amendments.

Mr. WHEELER, from the Committee on Interstate Commerce, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 3756. A bill to prohibit the use of communication facilities for criminal purposes (Rept. No. 1790); and

S. 3876. A bill relating to the transportation by railroad of persons and property for or on behalf of the United States (Rept. No. 1791).

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On May 5, 1938:

S. 1998. An act to amend the act entitled "An act to provide for the collection and publication of statistics of peanuts by the Department of Agriculture", approved June 24, 1936;

S. 2221. An act to facilitate the control of soil erosion and flood damage originating upon lands within the exterior boundaries of the Cache National Forest in the State of Utah;

S. 2986. An act to amend section 6 of the act approved May 27, 1936 (49 U. S. Stat. L. 1380); and

S. 3351. An act to permit the issuance of certain certificates under the shipping laws by inspectors of hull, inspectors of boilers, and designated assistant inspectors.

On May 10, 1938:

S. 2650. An act to authorize the completion, maintenance, and operation of the Fort Peck project for navigation, and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. BARKLEY:

A bill (S. 4007) authorizing the county of Lawrence, Ky., to construct, maintain, and operate a free highway bridge across the Big Sandy River at or near Louisa, Ky.; to the Committee on Commerce.

By Mrs. CARAWAY:

A bill (S. 4008) for the relief of Malcolm S. Brown; to the Committee on Claims.

By Mr. THOMAS of Oklahoma (by request):

A bill (S. 4009) to reimburse the Eastern and Western Cherokees for funds erroneously charged against them, and for other purposes; to the Committee on Indian Affairs.

By Mr. CLARK:

A bill (S. 4010) to amend section 91 of the Judicial Code, as amended, to provide for holding terms of the district court of the United States for the eastern district of Missouri, at Moberly; to the Committee on the Judiciary.

A bill (S. 4011) to extend the time for completing the construction of a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.; to the Committee on Commerce.

By Mr. THOMAS of Utah:

A bill (S. 4012) to provide for the common defense by acquiring stocks of strategic and critical raw materials, concentrates, and alloys essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and for other purposes; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

A joint resolution (S. J. Res. 294) authorizing and directing the Secretary of the Treasury and the Commissioner of Internal Revenue of the United States to return to the State of Oklahoma an amount of money to be deducted from the amount of income taxes paid to the United States from the State of Oklahoma, each fiscal year, until the amount of loss or detriment sustained by the State of Oklahoma from November 16, 1907, to and including June 30, 1937, on account of the exemption of restricted Indian lands from ad valorem taxation and the exemption of oil and gas and other minerals extracted from such lands from taxation, shall have been discharged; and providing the method of ascertaining the total amount of such loss by a Joint Committee on Indian Affairs of the Senate and of the House of Representatives of the United States; to the Committee on Indian Affairs.

RECOMMITTAL OF A BILL

On motion by Mr. WALSH, the bill (H. R. 9801) to provide for the retirement, rank, and pay of Chiefs of Naval Operations, chiefs of bureau of the Navy Department, the Judge Advocates General of the Navy, and the Major Generals Commandant of the Marine Corps was taken from the calendar and recommitted to the Committee on Naval Affairs.

LOANS TO RAILROADS BY RECONSTRUCTION FINANCE CORPORATION—AMENDMENT

Mr. WAGNER submitted an amendment intended to be proposed by him to the bill (S. 3948) to amend so much of the Reconstruction Finance Corporation Act, as amended, as relates to railroads, which was ordered to lie on the table and to be printed.

AMENDMENTS TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. WHEELER submitted three amendments intended to be proposed by him to the second deficiency appropriation bill, 1938, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill, to insert the following:

"DEPARTMENT OF AGRICULTURE

"FOREST SERVICE

"Northern Rocky Mountain Forest and Range Experiment Station: For an additional amount for conducting fire, silvicultural, and other forest investigations and experiments under section 2 of the act of May 22, 1928, as amended, at the Northern Rocky Mountain Forest and Range Experiment Station, $30,000, to remain available until June 30, 1939."

At the proper place in the bill, to insert the following:

"INTERIOR DEPARTMENT

"NATIONAL PARK SERVICE

"Photographic mat service: For initiating and maintaining a mat service for the reproduction in magazines and newspapers of photographs of scenery in the national parks, $5,000."

At the proper place in the bill, to insert the following:

"WAR DEPARTMENT

"CIVIL FUNCTIONS

"Certain expenses incident to veterans' funerals: For reimbursement to Hardin Post, No. 8, American Legion, of Hardin, Mont., of expenses incurred by such post in connection with the rendering of military honors to soldiers and veterans buried at Custer Battlefield National Cemetery, $125, which sum shall be immediately available."

DEDICATION OF THOUSAND ISLANDS BRIDGE, ST. LAWRENCE RIVER

Mr. WAGNER submitted the following concurrent resolution (S. Con. Res. 33), which was referred to the Committee on Foreign Relations:

Resolved by the Senate (the House of Representatives concurring), That a joint committee of three Senators, to be appointed by the President of the Senate, and three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, is authorized to represent the Congress of the United States at the exercises incident to the dedication of the Thousand Islands Bridge across the St. Lawrence River, between the State of New York and the Dominion of Canada. The joint committee shall select a chairman from among its members.

SEC. 2. The necessary expenses of such joint committee, not in excess of $, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives on vouchers authorized by such joint committee and signed by the chairman thereof.

PRESERVATION OF OUR DEMOCRACY—ADDRESS BY CHARLES W. TAUSSIG

[Mrs. CARAWAY asked and obtained leave to have printed in the RECORD an address on The Preservation of Our Democracy, delivered by Charles W. Taussig, chairman of the National Advisory Committee of the National Youth Administration, which appears in the Appendix.]

THE AMERICAN SYSTEM OF BROADCASTING—ADDRESS BY DAVID SARNOFF

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address delivered on April 28, 1938, at the Town Hall, New York City, by David Sarnoff, president of the Radio Corporation of America, on the subject of The American System of Broadcasting and Its Function in the Preservation of Democracy, which appears in the Appendix.]

PHILIPPINE-AMERICAN TRADE CONFERENCE

[Mr. FRAZIER asked and obtained leave to have printed in the RECORD an article by Porfirio U. Sevilla, publisher of the Philippine-American Advocate, appearing in the Philippine-American Advocate for February 1938, on the subject of a Philippine-American trade conference, which appears in the Appendix.]

OPINION OF SUPREME COURT IN KANSAS CITY RATE CASE

[Mr. MINTON asked and obtained leave to have printed in the RECORD a letter addressed to him by the Secretary of Agriculture, Hon. Henry A. Wallace, relative to the opinion of the Supreme Court in the Kansas City rate case, which appears in the Appendix.]

ALLEGED ATTACKS ON THE PRESS

[Mr. MINTON asked and obtained leave to have printed in the RECORD an editorial from the Bluefield (W. Va.) Sunset News, of Saturday, May 7, 1938, entitled "No Attack on Press," which appears in the Appendix.]

RECIPROCAL-TRADE AGREEMENTS

[Mr. LODGE asked and obtained leave to have printed in the RECORD an editorial from the Boston Evening American of Wednesday, May 11, 1938, on the subject of reciprocal-trade agreements, which appears in the Appendix.]

BILLS TO DISCOURAGE MURDER—LETTER FROM NEW YORK HERALD TRIBUNE

[Mr. BURKE asked and obtained leave to have printed in the RECORD a letter published in the New York Herald Tribune of today entitled "Bills to Discourage Murder," which appears in the Appendix.]

RECIPROCAL-TRADE AGREEMENTS

Mr. McCARRAN. Mr. President, sometime ago, while there were under consideration certain reciprocal-trade agreements, I addressed certain letters to the Secretary of State bearing on the investigations then going on and the hearings then being held. I ask that these letters be inserted in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
March 7, 1938.

Proposed reciprocal-trade agreements, affecting zinc and ore metals.

Hon. CORDELL HULL,
The Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: In the proposed reciprocal-trade agreement to be negotiated between the Government of the United States and the Government of the United Kingdom of Great Britain and the British Colonial Empire, lead and zinc ores are involved, the production of which, in raw and rectified form, is of vital importance to the people of this country and especially to that section of the country from which I come, and to the people of the State that I have the honor to represent in the Senate of the United States.

I respectfully protest against any action on the part of the State Department that will reduce the existing tariff on zinc and ore metals, and likewise protest any action that will reduce the tariff on lead and zinc pigments or articles fabricated from or by these ores or metals.

I may say at the outset that American industry finds itself confronted with the fact that domestic producers have already found it necessary to curtail production as a result of lower prices, and many other producers are on the verge of closing down because of this reduction. The very fact that tariff concessions are threatened and the very fact that these commodities are mentioned in the list of metals and ores that may be affected by the trade agreement now pending for consideration, has caused widespread apprehension and an exceedingly unsettled condition in the industry of producing lead and zinc ores and metals. This apprehension may be based on the assumption that your Department may possibly look with favor upon even a temporary reduction in the tariff rates. I make mention of this to emphasize the seriousness of the situation. If mere apprehension as to the action of the Department of State will cause a depression and the shut-down of producing properties and an increase of unemployment, then it requires no argument to bring to your attention the seriousness of the actuality should the trade agreement be entered into, reducing the tariff on these important American productions.

What I say as to one of these metals applies equally to the other. American produced zinc has been selling almost at a parity in this country and abroad when the tariff and transportation rates on foreign zinc are taken into consideration. If the tariff were cut 50 percent, British zinc could be laid down in this country at 4⅜ cents per pound, although the present domestic quotation of 5 cents per pound has been characterized as being under the cost of production for many producers.

I may say in this respect that my State of Nevada is deeply interested in these commodities and I may also draw your attention to the fact that the Pioche mining district, affording opportunity in the future for a thousand or more mining and treatment workers, with a surplus population of perhaps three times that number, has recently negotiated for a heavy loan from the Public Works Administration by the aid of which electrical energy was brought from Boulder Dam into that district, all based on the assumption that by the continuation of the present price of lead and zinc the industry there would be amply able to repay the obligation. If there is a reduction in the tariff on these commodities I venture the expression that these properties must of necessity close down with all of the attendant disturbances that may follow.

The tariffs that have protected lead and zinc in the past have prompted a production far in excess of that which we would have had if foreign output had been allowed to compete freely in this country. This production has resulted in the employment of American labor while foreign production has resulted in the employment of foreign labor against which American labor, cannot

under our standards of living, compete. The existing tariff cannot be considered as unreasonably high and certainly not to such an extent that it would permit arbitrary skyrocketing of prices.

The production of lead and zinc in this country is not confined to any particular section; hence the influence and effect of a reduction in the protection duty on these commodities would be far reaching. It is scarcely necessary for me to call your attention to the fact that the leading lead-producing State in 1936 was Missouri, which produced something in excess of 29 percent of the total output. Second in importance in production was the State of Idaho, with 24.4 percent. Utah was third with 18.7 percent; Oklahoma was fourth with 6.8 percent. Zinc was produced in Oklahoma, New Jersey, Kansas, Montana, and Idaho in varying quantities. A drop in the rates of production by industry has confronted a number of mines and producing properties with lower prices and rapidly mounting stocks. The stocks of zinc, which reached a low point of 11,227 tons in August of 1937, have rapidly advanced and by the first of 1938 was computed to be 64,776 tons. Stocks of lead likewise have increased considerably and at the first of 1938 had arrived at the amount of 129,131 tons as compared with 90,742 tons in September of 1937.

Curtailment of production accompanied by the losing of large numbers of employees will be unavoidable if the supply continues to increase in this manner. At the present time the producing properties are not faced with the problem of mining competition from foreign, cheaply produced metal and if they were, the problem of the mines would be greatly increased and curtailment of operation and production would have to be much more drastic. Naturally, there would be a great reduction in prices and also greatly increased relief rolls and increased taxation to take care of unemployed.

The United States has for many years been the leading country in the production of lead and zinc and in this respect the United States has been the leading country in the consumption of these minerals and their resultant metals and products. The Dominion of Canada, with which country a reciprocal-trade agreement is pending, is looking forward to the United States as the most desirable market for Canadian produced zinc and lead and the resultant products. The location of Canada and the cost of transportation from that country to the industrial centers of the United States, makes her position most advantageous and makes her production a very decided threat to the industry in this country.

It may be taken as a fact that practically the entire lead and zinc production in Canada comes from one concern, the Consolidated Mining and Smelting Co. of Canada, Ltd. This concern is the largest single lead-producing unit in the world and the second largest producer of zinc. In 1936 it produced 182,541 tons of lead as compared with the total production in all of Canada of 184,659 tons. During the same year this concern produced zinc in the amount of 125,694 tons as compared with the total Canadian production of 151,697 tons.

In making mention of the foregoing I draw your attention to the fact that any trade agreement with Canada by which the tariff on lead and zinc is reduced, would amount to a concession to the Consolidated Mining and Smelting Co. and to the company that holds the majority of its outstanding stock, the Canadian Pacific Railway.

I am at a loss to see how these statements can be refuted and I am at a loss to reconcile these statements with American business and the production and encouragement of American industry.

While the proposed trade agreement with Canada is a serious threat to American industry producing lead and zinc, that industry is even more alarmed, and rightfully so, over the prospect of having to absorb the output of other countries which have even a greater production, because if trade concessions are made to Canada under the prevailing rule adopted by the State Department in this respect, other countries which have "most favored nations" treaties with the United States must be accorded the same privileges. May I draw your attention to the fact that this classification will invite Australian and Mexican production, and these two countries are the second and third largest producers of lead in the world, and also produce very substantial quantities of zinc. May I further draw your attention to the fact that only recently Mexico established a new tariff rate on United States produced goods and raised the duty to as high as 500 percent. In addition to the foregoing we must not lose sight of the fact that India, another United Kingdom country, is a large producer of lead and will take her place as a beneficiary of any reduced tariff. Besides the United States, Mexico and the countries which come under the British trade agreement now pending, it must be remembered that Germany, Belgium, Russia, Spain, and Italy rank as important lead producers; while zinc is produced in exportable quantities in Belgium, Germany, Poland, Russia, France, Norway, Japan, and Italy.

I especially draw your attention to the fact that many of the lead- and zinc-producing countries of the world are subsidizing their industries, thus to encourage them to expand for nationalization reasons in order to make those countries independent of other nations for their supply of lead and zinc in times of war. The result of this is that some of these countries, particularly Belgium, which is the second largest zinc-producing country and the third largest lead-producing, are encountering difficulty in marketing their own output.

I especially urge upon your attention that the present existing conditions in Europe make it unwise to subject our lead and zinc mines to competition from foreign powers where the workers have lower standards of living and where the governments are fostering their own mines in an attempt to build up their own industries.

It would be a futile waste of time for me to emphasize again, as I have in other communications, the importance of American labor in this whole question. Suffice it to say that in no other country in the world is labor paid as high a wage as it is in the United States. The American standard of living is much higher and our workers demand and should receive higher and better pay. Furthermore, it is the policy of the present administration to maintain wages at a high level and to absorb the unemployed by reducing working hours. It is but recently that the President issued his request, amounting almost to a demand, that industry should not reduce wages, but should reduce the working hours so as to absorb the unemployed. For the past 5 years Congress has been almost continuously occupied in the consideration and adoption of legislation looking to the uplift of labor and the standardization of wages and the minimizing of hours of toil. This entire policy is contrary to one that would bring our American labor in conflict with foreign underpaid and overworked labor.

American miners have never asked for a subsidy. American capital has ventured its all in the uncertain industry of mining. In no country of the world has there been such a display of courage on the part of those who have money to invest as has been put forth in America. Every mining venture finds its financial supporters, and its losers take it with a smile. The only governmental encouragement that the mining industry has ever prayed for is protection for its products against foreign competition where different standards of living prevail.

I recognize the benefit of increased foreign trade for the absorption of our surplus products, but I challenge the cogency of any argument that would change the tariff rates to such an extent as to permit foreign competition to reduce the American laborer to the degradation of meeting the underpaid, undernourished, underclothed, and underhoused laborer abroad.

I protest against any change in tariff provisions that would close down American industries and permit foreign products to come in over the ruins and cold smokestacks of American mines, mills, and smelters.

Respectfully yours,

PAT MCCARRAN.

UNITED STATES SENATE,
March 7, 1938.

Proposed reciprocal-trade agreements, affecting wool and textiles.

Hon. CORDELL HULL,
The Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: In the proposed reciprocal-trade agreement to be negotiated between the Government of the United States and the Government of the United Kingdom of Great Britian and the British Colonial Empire, there is involved wool and wool textiles. In furtherance of my protest against favorable consideration of a reduction in tariff on these items, I may say at the outset that Great Britain and the British possessions need no lower tariff in order to obtain access to our markets. Great Britain and the British possessions and dominions are now the principal competing countries. The United Kingdom already has access to American markets and is selling an ever-increasing amount of wool and textiles in this country.

It seems needless for me to emphasize what would be a conceded fact, that a reciprocal-trade agreement, if it has any beneficial place in our national existence, would be the removal of unreasonable barriers to international trade and the prevention of undue or artificial restrictions. No such restrictions exist as respect the present imports of manufacturers of wool. The importation of wool fabrics from the United Kingdom has greatly increased during the years 1936 and 1937. The rate of increase has not been equal to any like increase in American production.

The wool-textile industry produces yarn, blankets, woven and knitted fabrics. According to the 1935 census of manufacturers, there were 699 active establishments controlled by 600 separate firms in the related industry known as wool and hair manufacturers. The 1935 census gives the money value of the product or services of these establishments as $711,000,000. The average number of factory wage workers employed in the industry during 1935 were approximately 170,000. This number was increased during 1936 and 1937 to approximately 175,000. The continuation of this industry in America is essential to the maintenance of wool and wool-hair growing as a primary industry in the country, since our growers cannot compete in the world wool market.

In every Congress this industry has been considered so vital in its nature to national welfare that it has received the necessary measure of protection. Moreover, the danger of competition from countries with lower standards of wages and lower living conditions has been so great and so apparent that no Congress has failed to give recognition in the way of tariff protection. Wages paid textile workers in other countries place our American manufacturers at a disadvantage as compared with foreign competition.

Again, I would draw your attention to the undeniable contention that approximately 175,000 employees and wage workers engaged in this industry are jeopardized by any reduction in the tariff that would threaten the continued life of the textile industry. Moreover, the original producers of the raw commodities in the United States are seriously threatened in that any reduction in wool-textile tariffs must of necessity reflect corresponding reduction in the price of raw wool. The wool producers of America have only recently seen the light, as it were, by which

they could overcome financial conditions brought upon them by the years of depression. Some have barely emerged from the burden of debt, much of which was financed by Federal institutions. Many are not out of the woods yet, as it were, and all are confronted with the natural gloom that comes by reason of the realization that an industry not yet fully recovered from the greatest depression the country has known is about to be again submerged even before the obligations to the Federal Government and other loaning agencies have been liquidated.

The wool-producing industry of America requires and demands encouragement. It would be a serious blow and one that would have a discouraging effect on agriculture in general, and particularly that branch of agriculture having to do with wool producing, if there should at this time be a reduction in the price of the raw material and commodity, which reduction would naturally flow from any disturbance that affected the wool-textile industry. This reduction would, as I contend, flow when the wool-textile industry and the producers generally were brought into competition with foreign conditions like those that support American institutions at the present time.

In conclusion, may I say that a war-threatened, torn, and bleeding world abroad does not present a normal, sane, or sober agency with which to trade, where such a trade would mean the destruction of American industry and the jeopardizing of American labor.

Before you give serious consideration to the reduction of protective-tariff schedules, it might not be amiss to look over the ranks of unemployed and their increasing numbers, and to view with apprehension anything that would lead to the augmentation of this condition.

Respectfully yours,

PAT MCCARRAN.

UNITED STATES SENATE,
March 7, 1938.

Proposed reciprocal-trade agreements affecting tungsten.

Hon. CORDELL HULL,
The Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: In the proposed reciprocal-trade agreement to be negotiated between the Government of the United States and the Government of the United Kingdom of Great Britain and the British Colonial Empire, there are involved certain minerals the production of which in raw and in rectified form is of vital interest to the people of this country and especially to that section of the country from which I come and to the people of the State that I have the honor to represent in the Senate of the United States.

I may say at the outset that my State of Nevada, together with other intermountain States, produces the greater part of the supply of tungsten in the United States. During the war tungsten was known as a key war mineral, and its necessity as such created an excessive demand and a high price, with the result that during the years 1914 to 1918, inclusive, intensive search was made for tungsten, the result being the discovery of many tungsten properties. It may well be said that since 1917 a new tungsten industry of great importance has been created in America.

Immediately following the World War, there being no duty on tungsten, the price fell to the low point of $1.50 per unit, which was the price at which Chinese ore was selling in America. This drop in price caused the closing down of many of the tungsten mines. A duty on tungsten ore of 45 cents per pound was imposed in 1922, and unusual activity in tungsten production followed.

The record discloses an unusually heavy importation of tungsten ore before the passage of the tariff bill of 1931. This activity in the production of the mineral caused an absorption by the industry of a large number of unemployed into mines and mining facilities, and an annual pay roll is now reflected of some $2,500,000. There is an invested capital of some $32,300,000. Statistics show that there is at this time a developed tonnage of about 4,375,000 tons, with an average content of 8 percent WO_3. The future reserves appearing available amount to about 13,500,000 tons.

The record discloses that about 227,000 tons of ore were milled in the United States during the year 1937, and the record also discloses that the estimated production from this tonnage was about 257,651 units.

I can see no force to an argument that can favor the importation of foreign tonnage to the exclusion of the domestic product. The tariff now existing affords only a fair measure of protection to the American industry and should be maintained. Otherwise, our American tungsten mines must of necessity return to the condition which we found prevailing immediately following the World War, when in 1918 or thereabouts tungsten in this country fell to the low point of $1.50 per unit, by reason of which nearly all tungsten mines in America were compelled to close.

It is not necessary for me to call your attention to the fact that in China and in the Malay States where tungsten is produced the production costs average from $1.50 to $5 per short-ton unit of WO_3. In this respect it may be noted that the average cost in the United States is approximately $15 per unit WO_3, and this makes no allowance for amortization of capital or reasonable profit. There is no necessity for me to draw your attention to the class of labor engaged in the industry in the Malay States, nor should it be necessary for me to draw your attention to the standards of living in that country as compared with those in America. In the Malay States the coolie laborer receives an annual wage of less than $50 per year, while the record discloses that in the United States the average miner engaged in this industry receives about $1,250 per year.

A reduction of the tariff on this commodity will result in one of two things: Either a disastrous reduction in the wages to be paid to American miners, upon which wages they cannot subsist under conditions in this country and our standard of living, or the closing down of all tungsten-producing properties.

In addition to the employment of some 2,000 or more men in the actual production of tungsten, there was expended during the year 1937 something over $2,000,000 for supplies, power, powder, and materials used in and about American tungsten properties. It may be interesting to note that the estimated value of American properties at the present time is something in excess of $32,000,000, which amount represents the value of the property and improvements, together with the actual tonnage in sight.

I wish to draw your attention to the unusual importance of the tungsten industry in the United States, which industry, if given proper protection against unwarranted competition from abroad, will within a short time be sufficient in scope and activity to supply the entire domestic demands, thus eliminating the necessity for any foreign tonnage. The records will disclose that during the year 1937 just past there were imported from abroad approximately 6,000 tons of concentrates and there were produced in this country approximately 4,500 short tons of concentrates of 60 percent WO_3. Of the concentrates imported approximately 1,000 short tons were from the Federated Malay States, approximately 4,000 tons were from China proper. In this respect I am dealing with the subject from the standpoint of short tons containing 60 percent WO_3 or thereabouts.

I protest any action that will reduce the present tariff on this commodity, because to my mind it is unanswerable that such an action and such a reduction under existing conditions will augment the number of unemployed in America, close down valuable properties now supplying employment and giving life to communities, and will at the same time encourage foreign production and importation to such an extent as may require years for the American industry to overcome, even should the tariff be replaced at a future date. The duty on tungsten should remain at its present status and should not be subjected to the negotiations now proposed. The standard of living in this country and the wages of miners should not be torn down by any act of your Department, which will undoubtedly be the result should there be a reduction in the tariff on this commodity.

It seems absurd to me to such an extent as to be beyond the pale of reason that we should tax our industries and our individuals in America to maintain and support a great army of unemployed, and at the same time give serious consideration to a proposal which, if carried out as in this instance, by the reduction of tariff and the encouragement of foreign importation of the product, will increase that army of unemployed and add an additional burden to the taxpaying element of our country.

Tungsten mining in this country and its transformation into mineral product is an infant industry, having had its origin within the past 35 years. The policy of protecting American infant industries against foreign competition, especially where such competition is fostered and promoted by the slave wage of coolie labor, should not be supported or even favorably considered at your hands.

I respectfully urge that no action be taken that will reduce the existing tariff on tungsten imports.

Sincerely yours,

PAT MCCARRAN.

JUVENILE COURT FOR THE DISTRICT OF COLUMBIA—CORRECTION IN ENROLLMENT

Mr. KING. Mr. President, a day or two ago the Senate passed House bill 4276, the juvenile court bill, and in renumbering the subdivisions errors were made in the section numbers. I submit a concurrent resolution authorizing and directing the Clerk of the House to renumber the sections beginning with section 26 so that the last section of the bill will be numbered 43, and to make necessary changes in references to sections. I ask unanimous consent for the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution (S. Con. Res. 34) was read and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H. R. 4276) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia," and for other purposes, the Clerk of the House is authorized and directed to renumber the sections beginning with section 26 so that the last section of the bill will be numbered 43, and to make necessary changes in references to sections.

SENATOR DAVIS' TARIFF RECORD

Mr. DAVIS. Mr. President, a few uninformed people in the State of Pennsylvania have raised a question concerning my position on tariff protection for agriculture, labor, and industry. Although I have consistently favored such protection, there may be some who do not know my principles on this important matter.

I have not approved of the way in which the reciprocal-trade program is being administered. It is not economically justified or constitutionally sound. A scientific approach to this problem is greatly to be desired. I believe that cooperation between the Tariff Commission, the Department of State, and Congress would be a distinct improvement over the one-sided grant of power under which the Department of State now operates in disregard of congressional advice or opinion. If Congress would define the limits of power for the Department of State, and if the Department of State would use the Tariff Commission for its fact-finding work, and if no agreements or treaties were made without the final consent and approval of the Senate, as provided under the Constitution, a substantial improvement could be made over our present disregard of sound economics and faithful constitutional government.

Mr. President, in order to show the consistent support I have given the cause of American standards of work and wages during the 17 years I have been in public office in Washington, I present brief excerpts taken from speeches I have delivered on this subject during that time, and ask unanimous consent to have them printed in the RECORD at this point.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The matter referred to is as follows:

On June 18, 1921, speaking at the McKinley Memorial, at Niles, Ohio, I said:

"I admired William McKinley because he stood for a protective tariff which would give us high wages, better working conditions. That has meant a better living for the American workman. We who were born on the other side, in foreign lands, know the difference between wages and working conditions here and the worker's way of life over there. See what McKinley's vision has meant to this country in giving us the tin-plate industry alone. Thousands of men, because of McKinley, have prospered in tin-plate manufacture. Because of tariff protection over this industry, money has been invested in a new productive venture, the best skilled workmen brought here from abroad, and prosperity has followed for all."

On September 26, 1922, I addressed to Hon. Joseph G. Armstrong, county treasurer of Allegheny County, a letter, which I gave to the press. I then said:

"The tariff bill is passed and the industries of America are assured, at least during this administration, that this wave of prosperity which is sweeping the country will not be interrupted by forced shut-downs resulting from competition with the low-paid workmen of other lands. We are justly proud that the American workman is a high-paid workman and can enjoy many luxuries which only the rich of Europe and Asia can secure. Some people fail to see in a tariff measure anything but a tax—incidentally it is true we do derive some revenue from it, but you and I know that it means vastly more, for the industries in which both of us grew up were protected industries. I do not have to tell you that without tariff protection practically no glassworkers would be employed in America—that all our glass needs would be supplied by European workmen. Without tariff protection Europe could flood our markets at prices which would make every tin mill shut its doors or produce every sheet at a substantial loss."

On October 6, 1923, I addressed a public letter to Mr. Samuel Gompers, president of the American Federation of Labor, saying:

"The world is alive with new theories, new political and economic nostrums, which may mislead the unwary with their glitter. In Europe nations have come close to ruin through these theories. In one great European nation a mere handful of men controls the destinies of one of the greatest populations. Two other countries are under absolute dictatorships and a third is fast approaching the same condition. In these nations economic conditions are in chaos. Millions of men are walking the streets seeking employment and those who are able to find work are recompensed by a mere subsistence wage. It is to the eternal credit of the American trade-union movement that the false notions of the Old World have been unable to obtain a foothold in this country. Here the workingman is in demand, jobs are plentiful, and wages are at the peak."

In August 1924 I said:

"An American tariff law and restrictive immigration legislation have been enacted to protect the American farmer and industrial worker, and these measures, with other wise legislation, have restored American industry and agriculture and have put back to work the millions of idle workers who sought employment in vain in 1921."

On February 7, 1925, before the McKinley Association of Connecticut, at New Haven, I said:

"My faith in McKinley and in the McKinley principles of economics and politics dates back from the early days of the last decade of the last century. Then, I was a young man, of foreign birth, seeking to make my living in the iron and steel industry. William B. McKinley, as a member of the House of Representatives, fathered the McKinley tariff bill, the repeal of which, by the Democratic Congress selected in 1890, precipitated an industrial panic. Hundreds of thousands of men were walking the streets in the vain quest for employment. I learned then that the Republican Party is pledged to the protection of the man who works in America, to the betterment of industry which provides employment for American labor, and to the maintenance of those fundamental doctrines of human rights which are set forth in the Constitution itself. There I became a Republican. The tin-plate industry, in which I was then employed proved a complete and thorough demonstration of the wisdom of the McKinley tariff policy."

On January 30, 1936, at the McKinley Day banquet at Canton, Ohio, I said:

"With a protective tariff we have been able to build up an industrial system that is without equal on the face of the earth. Today the pay roll of America is much larger by millions of dollars than the combined pay rolls of all the other nations in the world. I am proud that I am a Republican, proud of the history and achievements of the Republican Party. The very foundation of the industrial system of America has been a good protective tariff."

On March 25, 1927, speaking before the French Chamber of Commerce, New York City, I said:

"At the present time the French Government is making surveys with a view to new customs tariff which shall bring necessary revenues to its treasury. We in America know that this new tariff will be to the detriment of our commerce with France, but we regard that as inevitable. It is a proper move on the part of France for her own protection, and we recognize it as her due right, just as we grant ourselves the right to safeguard our own industries and workers."

In May 17, 1928, the Tariff Review carried one of my articles entitled "The Tariff as a Factor in American Prosperity." I then stated in part:

"When European workmen receive a wage equal to the wage paid American workers; when European workers toil under conditions as good as those that American workers know, and for the same number of hours; then, and not until then, shall I be willing to consider the blessings, or the possible blessings, of free trade."

On September 11, 1929, at the Clearfield County Fair, Clearfield, Pa., I said:

"Today our country faces a stiffer competition than ever, because all the other countries are staging a rapid recovery from the harrowing effects of the war. They look with eager eyes on the rich American market, and Americans must save its liberal wages, its standard of living, and all the blessings we have struggled so hard to win. Yet, to hear from our importers and foreign diplomats now, you would think that America is going to the bow-wows simply because we have determined to strengthen our defenses against the flood of cheap food and cheap goods from abroad, by saving its production to our own workers and manufacturers. Other countries have their tariffs and America reserves the same right to herself. Our country is our own caste, too precious to us all to be economically menaced by advances from which we are well able to protect it."

In a radio address at Pittsburgh, May 19, 1930, I said:

"My record as a protectionist speaks for itself. It needs no defense. I want a full, just share of the benefits derived from a protective tariff to find its way into the pay envelopes of the workers in our factories, mills, mines, and farms. Every plea for a tariff ever made in Congress is based on that fact—the benefit it will bring to business and to the farmers and wage earners of our country. This is as it should be. Some men believe that the industrialists alone should write the tariff bill. I believe that agriculture should also have a part in it. If any group has suffered during the post-war period, it is the farmer. He needs help, and, as far as I am concerned, he shall have it."

At a meeting of the Manufacturers, Rotary, and Foremen Clubs at Stroudsburg, Pa., May 27, 1931, I said:

"Economic doctors who view the situation through European nose glasses would cure our economic ailments by reducing tariff safeguards, eliminating our immigration barriers, and by canceling the war debts. These remedies are of the quack variety and would only intensify our economic embarrassment."

On May 4, 1932, at the Columbian Republican League at Washington, D. C., I said:

"The coal industry is one of great importance to the State of Pennsylvania. I stand for the protection of both the anthracite and the bituminous-coal industry against competition by the importation of foreign coal. I am fighting at Washington for protection in the new tax bill for the miners of Pennsylvania against the importation of coal produced by the slave and forced labor of the Orient and the Old World. Every ton of coal imported into the United States means that much labor taken from American coal miners who are suffering for want of sufficient work. I shall do all that I can to protect our own against this ruinous competition. In an effort to stabilize the bituminous-coal industry Congressman Clyde Kelly and I have prepared and have introduced in the Senate the Davis-Kelly bill."

On the floor of the Senate, January 31, 1933, I said:

"As long as we permit competitive products made by cheap labor in foreign lands to control the markets of the United States we destroy our earning and buying power, and thus keep the American worker in the bread lines seeking relief. Why we permit these competitive imports or products from other lands to be dumped into the United States while our own workmen are in the bread lines is beyond my comprehension."

I voted against the Reciprocal Tariff Agreements Act in 1934 and introduced an amendment to the bill as follows:

"No agreement under the provisions of this act shall be concluded with any foreign country with respect to articles in the production of which labor standards, as reflected in wages, living scales, and labor costs are lower than those which obtain in the production of the comparable articles in the United States."

On this point I said:

"I have long believed that it would be much better for us to maintain the competitive American markets for our own products and thus suggest to foreign competitors that they increase the wages of the foreign workmen who produce their competitive products to a parity with our own. This will result in a worldwide improvement of living standards and an increase of purchasing power throughout the world. No successful substitute other than good wages has ever been found as the basis for purchasing power, and this is just as true in Europe and in Asia as within our own borders. We cannot hope to compete with our own products in world markets as long as the cost of production by reason of higher wages is greater in America than in any other country."

On February 20, 1935, on the floor of the Senate, I said:

"America demands a certain wage, Europe and Asia another. We must maintain a barrier in the form of protective tariff in order to keep the low-wage standards of foreign countries from becoming the wage standards of American workers. We also know that foreign workers cheat because they are paid low wages, just as we will find American workers will cheat if they are pressed down to a low-wage standard. It is not national economy to make a man work for what he feels is less money than he is worth and less money than his fellow workers are receiving for exactly the same kind of work in private industry."

On March 30, 1936, I said on the floor of the Senate:

"Here, again, we once more embark, with New World idealism, into the stormy waters of international politics, vaguely trusting to the cooperation of other nations. In this spirit we sent our millions of men and money abroad to 'make the world safe for democracy.' The same hope inspired us to lead the world in disarmament conferences, taking our pledges seriously and destroying our battleships, while the other signatories to the agreements quietly laughed at us and continued to build for the future. This same illusive hope of cooperation of other nations led us to loan billions of dollars abroad, and the loans are still unpaid. It is true that there is some talk of payment now that investment of foreign dollars in this country is promising in view of our devalued dollar. And now we put ourselves out front in the abandonment of our tariff protection. Meanwhile, we observe that as we lower our barriers our competitors raise theirs, taking advantage of the strange shift in our tariff policy. Such procedure will give but little promise of a solution of our problem of unemployment, which now should be the chief concern of us all."

On February 24, 1937, I made an extended speech on the reciprocal-trade agreement program on the floor of the Senate. I quote in part what I then said:

"Mr. President, if the administration is determined to go forward with this program for another 3 years under House Joint Resolution 96, will it not grant some concessions to our own people?

"1. Will it not agree to examine the difference in cost of production between this country and the country with which it is negotiating? Will it not at least check wage levels, hours of employment, standards of living, and other items?

"2. Will it not at least agree not to negotiate with those who are in default or refuse to pay their debts to us?

"3. Will it not agree to limit the concessions to the one country with which it is dealing?

"4. Will it not agree to leave out further reductions in our internal taxes and promises to foreign countries that such foreign countries shall henceforth decide for us what taxes we shall impose?

"5. Will it not agree to submit agreements, when made, to Congress, or, at least, to the Senate for study for a 30-day period before they are made effective, thus giving the representatives of the people a chance to suggest errors or changes?

"6. Will it not make public the terms of the agreement it has tentatively entered into and give the American citizens a 30-day chance to study them and file suggestions? American farmers, manufacturers, and laborers should have at least a chance to study the proposals and a chance to make suggestions.

"7. Will it not at least make public all of our economic transactions with each country, not just merchandise exports and imports, but also exports and imports of gold and silver, capital transactions, invisible items such as shipping, insurance, tourists' expenditures, and status of war debts?

"8. If the administration will make no concessions except to the foreigners with whom it is negotiating and is determined to go through with a complete general revision downward of every item in the tariff act and thus reverse the 100-year policy of this country, should not Congress write into House Joint Resolution 96 as a reservation an escape clause claiming the right to cancel all these agreements whenever it gets a mandate from the people, without being put in the position of breaking what are in fact treaties with all foreign countries."

Mr. DAVIS. Mr. President, these are but a few extracts from speeches I have made in behalf of American protection during each of the 17 years I have been in public office in Washington. I have not contented myself with making one speech a year on this subject, but I have made literally hundreds of speeches and written scores of articles and thousands of letters in support of this cause. I believe in it from the bottom of my heart. I firmly believe that adequate tariff protection marks the difference between the sad specter of unemployment and relief rolls which is seen in this land today and the prosperity and plenty which are possible for all our people if we would but give the American farmer and worker the first right to the American market.

CUSTOMS ADMINISTRATIVE BILL

Mr. WALSH. Mr. President, many Members of the House and Senate have recently received objections to the enactment of the pending administration's customs bill, House bill 8099, on the ground that section 3 of that bill would drastically weaken the law relating to the marking of imported articles to indicate the country of their origin. When this bill was before the House and Senate the Treasury Department asserted that the enactment of the bill would substantially increase the effectiveness of the present law, and that the only reason for the proposed change in the present law was to eliminate requirements of existing law which interfere with trade without being effective in informing consumers concerning the origin of imports.

The Senate and House conferees before whom H. R. 8099 is in conference have requested the Treasury Department to present in writing the views of the Treasury Department in respect to the language of section 3 of the bill, containing the so-called marking provisions, which language is not in controversy, since it is contained in both House and Senate bills.

I ask that the communication from the Treasury Department relating to these objections be printed in the CONGRESSIONAL RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The communication is as follows:

TREASURY DEPARTMENT,
Washington, May 11, 1938.

Hon. DAVID I. WALSH,
Chairman, Senate Conferees on H. R. 8099,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Reference is made to your informal request for the views of the Treasury Department concerning objections you have received to enactment of the pending customs administrative bill, H. R. 8099, on the ground that section 3 of that bill would drastically weaken the law relating to the marking of imported articles to indicate the country of their origin.

It is the considered opinion of the Treasury Department that the enactment of section 3 of H. R. 8099 in the form which has been tentatively approved by the House and Senate conferees will substantially increase the effectiveness of the marking law for the purpose of informing consumers in the United States as to the country of origin of imported products. At the same time the section would eliminate requirements of existing law which interfere with trade without being effective to inform consumers concerning the origin of imports.

The marking requirements under the new law would be more liberal than under existing law, chiefly in two respects: (1) Only the article or its container will be required to be marked, instead of the present requirement that the article and its immediate container and the outer container be marked; and (2) the 10 percent additional marking duty imposed by existing law, if the merchandise is not properly marked when imported, will not be imposed if the goods are properly marked after importation and before entry into the commerce of the United States. The new law will be more effective than existing law in the following respects:

(1) The law expressly requires that the marking be such as to indicate to an ultimate purchaser in the United States the country of origin of the article.

(2) The Secretary of the Treasury is authorized to prescribe the manner, method, and place of marking imported articles.

(3) The Secretary is authorized to require the use in marking of words or symbols in addition to the name of the country of origin to prevent deception or mistake.

(4) The provisions of existing law for excepting articles from marking, when the marking cannot be accomplished without injury or except at an expense economically prohibitive of its importation, are being restricted to those cases where the injury or prohibitive expense would be incurred by marking prior to the shipment of the articles to the United States.

Section 3 of the customs bill codifies the exceptions to marking requirements which are well established in the administrative practice under existing law, with no liberalization, except in one instance. Subdivision I of section 3 provides that articles produced more than

20 years prior to their importation into the United States may be excepted from marking requirements. The corresponding exception under the present practice covers only artistic antiquities produced prior to 1830 and printed matter over 20 years old. As the bill passed the Senate it provided that containers of crude substances exempted from marking requirements need not be marked. This was not in accordance with existing practice, and it is understood that the conferees have decided to remove this exception from the bill.

It is understood that those opposed to the enactment of section 3 were primarily concerned with the exemption of containers of crude substances from marking requirements and with the somewhat remote possibilities that certain articles exempted from marking requirements under exceptions specified in the bill might be used after importation otherwise than for the purpose intended at the time of the importation. The first objection has been met. The possibilities envisaged by the second objection may occur, but there has been no complaint about them in the past, and it is believed that their possible frequency and importance are not sufficient to warrant any change in the established practices which will be codified by the enactment of section 3 of the customs bill as tentatively approved by the conferees.

Very truly yours,

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

DETAIL OF UNITED STATES EMPLOYEES TO SERVICE UNDER FOREIGN GOVERNMENTS

Mr. TRUMAN obtained the floor.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Nevada?

Mr. TRUMAN. I do.

Mr. PITTMAN. There was placed on the calendar the other day a bill designated as House bill 10193, Order of Business 1758. It is a bill authorizing the State Department to assign certain civil employees, experts in road building and agriculture, and so forth, to advise temporarily in American republics. There is a similar Senate measure, being Senate bill 3804. After the Senate bill was studied and amended by the Foreign Relations Committee, the House amended its bill in the same particulars, and passed it.

I explained the Senate bill on unanimous-consent calendar day. Its consideration was objected to by the junior Senator from Texas [Mr. CONNALLY]. Since that time he has studied the bill and withdrawn his objection. The bill is unanimously approved by the Foreign Relations Committee.

I ask unanimous consent that the unfinished business be temporarily laid aside, and that the House bill be acted on. If there is any debate, I shall withdraw it.

Mr. McNARY. Mr. President, my object in rising is not particularly to refer to the request made by the Senator from Nevada. Yesterday afternoon I was called from the Chamber on official business, and did not return until after the Senate had taken a recess, though inadvertently for some reason my name appears as having participated in the debate, which is not correct.

That, however, is not important. What I rise to ask is, What is the present parliamentary situation and status? It is very difficult to ascertain from reading the RECORD.

The VICE PRESIDENT. The parliamentary situation is this: The bill temporarily before the Senate is Senate bill 3104. The regular order is the aeronautics bill, Senate bill 3845. At any time the regular order is called for, Senate bill 3845 will automatically come before the Senate.

Mr. McNARY. I appreciate that fact.

Mr. President, when one leaves the Chamber on public matters, it is generally thought that the Senate will continue with the order of business then before the Senate. I am not particularly complaining; but it seems that late yesterday afternoon, upon the request of the Senator from Texas [Mr. SHEPPARD], the unfinished business was temporarily laid aside, and another matter of business was brought before the Senate. Now the Senator from Nevada [Mr. PITTMAN] desires to lay aside the business which is temporarily before the Senate and make another measure the temporary business of the Senate. That is too much business, Mr. President. I really am inclined to call for the regular order.

Mr. PITTMAN. I withdraw the request.

Mr. McNARY. I have no objection to the bill referred to by the Senator from Nevada; but there is an orderly procedure which ought to be followed. There is a way of getting along so that we can all be informed as to what is taking place in the Chamber.

The VICE PRESIDENT. The Senator from Oregon demands the regular order.

Mr. McNARY. I demand the regular order.

The VICE PRESIDENT. The regular order is Senate bill 3845. The Senator from Missouri has the floor.

DEVELOPMENT AND REGULATION OF CIVIL AERONAUTICS

The Senate resumed the consideration of the bill (S. 3845) to create a Civil Aeronautics Authority, and to promote the development and safety and to provide for the regulation of civil aeronautics.

Mr. TRUMAN. Mr. President, yesterday the Senate proceeded to the consideration of Senate bill 3845. I feel that the Senate is entitled to have some information on that bill and its history.

In 1935 the Senator from Nevada [Mr. McCARRAN] introduced a bill, Senate bill 3027, for the regulation of air transportation. The bill was referred to the Committee on Interstate Commerce of the Senate, and was by the chairman of the committee, the Senator from Montana [Mr. WHEELER], referred to a subcommittee consisting of the Senator from Ohio [Mr. DONAHEY] as chairman, myself, the Senator from Minnesota [Mr. SHIPSTEAD], the Senator from Vermont [Mr. AUSTIN], and the Senator from Pennsylvania [Mr. DAVIS]. We held hearings on the bill extending over a 2 weeks' period, and then the Senator from Nevada introduced a rewritten bill, and it was reported to the Senate by the committee, and stayed on the calendar during the remainder of the Seventy-fourth Congress.

In January of 1937 the Senator from Nevada introduced Senate bill 2, which was referred to the Interstate Commerce Committee, and was then referred to a subcommittee consisting of myself as chairman, the Senator from Wyoming [Mr. SCHWARTZ], the Senator from Florida [Mr. ANDREWS], the Senator from Vermont [Mr. AUSTIN], and the Senator from Pennsylvania [Mr. DAVIS]. We held hearings, comprising some 566 pages, on the bill. The bill was reported to the Senate and has been on the calendar ever since. It placed the regulation of air transportation under the Interstate Commerce Commission. The reason for that was the President's message on that subject which had come to the Senate in 1936.

Mr. LUNDEEN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. TRUMAN. I yield.

Mr. LUNDEEN. Is there pending a bill which has the approval of the executive department, or are these individual bills? What is the situation?

Mr. TRUMAN. In just a few minutes I shall come to the bill which has the approval of the executive department. I am endeavoring to give a history of the matter up to date.

Last month the Senator from Nevada [Mr. McCARRAN] introduced Senate bill 3659, which was referred to the Committee on Interstate Commerce, and was in turn referred to a subcommittee consisting of myself, the Senator from Wyoming [Mr. SCHWARTZ], and the Senator from Vermont [Mr. AUSTIN]. We held hearings on the bill on April 6 and 7. The bill provided for the appointment of a special commission to be known as the air authority to handle transportation by air.

The President's Aviation Commission submitted a report in 1935 which recommended the creation of a special air commission. It also recommended that provision be made for certificates of convenience and necessity and that rates be subject to governmental regulation, the rates for the transportation of air mail to be fixed by the commission. It further recommended that there be no legislative limitation upon the growth of air transportation; that there should be close and continuous Government control of the aids for air lines, that is, the ground aids, which make flying safe; that provision should be made to specify economical quality of

service; that financial structure of air lines should be supervised and watched over by governmental agencies; and that there should be a grandfather clause. All these suggestions are included in the pending bill.

Mr. President, the bill which the Senator from Nevada introduced as Senate bill 3659 was introduced after a conference with the President of the United States. It was a rather complicated legislative measure. I then had the Legislative Drafting Service of the Senate take the bill and rewrite it, and on Monday of this week I offered in the Senate an amendment in the nature of a substitute intended to be proposed to Senate bill 3845, which is the bill now under consideration by this body. The fundamental policy of the proposed substitute does not differ greatly from that of the bill. It, like the bill, provides for the economic and safety regulation of the operation of aircraft in interstate and foreign commerce and for the establishment of a five-member authority to administer the law.

However, the substitute differs materially from the bill in that it has been more carefully considered and more meticulously prepared. It resembles to a large extent Representative LEA's bill, which is now being debated in the House. These two bills, the substitute which I have proposed and that of Representative LEA, have been carefully considered for the past 4 months.

The executive departments which now have charge of matters relating to aviation have been given an opportunity to express themselves on the provisions of the substitute, all phases of the aviation industry have considered it, and it has been studied over a long period by a subcommittee of the Senate Interstate Commerce Committee, of which I am chairman. The House Interstate and Foreign Commerce Committee has held exhaustive hearings on the House bill, which is the counterpart of my substitute, and has reported it favorably to the House. As a result of this careful consideration, all the executive departments which deal with aviation approve the proposed substitute, and the entire aviation industry is in favor of its enactment. The Airline Pilots Association approves of the provisions of the substitute which affect the members of the association.

While, as I have stated, Senate bill 3845 is similar in many respects to the amendment which I propose, it does not have this universal approval; because it has not received the painstaking study and careful scrutiny to which my amendment has been subjected.

One of the amendments which the Senator from Washington [Mr. SCHWELLENBACH] has proposed to Senate bill 3845 will aptly illustrate the point that I am making. The Senator's second amendment, appearing on page 6430 of the CONGRESSIONAL RECORD for May 9, discloses that while Senate bill 3845 provides for the continuance in the Interstate Commerce Commission, after the enactment of the bill, of proceedings now pending before the Commission for the determination of air-mail rates, at the same time it provides that the personnel of the Commission now employed in connection with those proceedings, and all appropriations available for that purpose, be transferred to the new authority immediately upon the enactment of the bill. Thus if the amendment of the Senator from Washington were rejected, Congress would be requiring the Interstate Commerce Commission to perform certain duties and at the same time would be taking from it the necessary funds and personnel with which to perform those duties.

The amendments of the Senator from Washington have done much to perfect Senate bill 3845, but before the Senate can be said to have completely perfected this bill it will be necessary to strike out everything after the enacting clause in the bill and substitute my amendment. This, of course, does not mean that the efforts of the Senator from Nevada [Mr. MCCARRAN] and those of the Senate Commerce Committee will be entirely lost, for many of the provisions of my amendment are identical with the comparable provisions of the pending bill. However, after having studied the bill carefully, I have concluded that in order properly to perfect the bill it would be an easier matter to substitute my amendment.

The subcommittee considered the proposed substitute and the original bill, and in a statement to the subcommittee on the morning of April 8, when the hearings started, I compared the bill and the substitute, and showed the differences.

Then I conferred with the Senator from Nevada and asked him if he would not introduce another bill and have it referred to the Committee on Interstate Commerce and then to the subcommittee, so that we could report a measure and have it passed at the present session. The Senator from Nevada then introduced Senate bill 3864, which was referred to the subcommittee, and the bill was amended in certain particulars and unanimously reported by the subcommittee to the Committee on Interstate Commerce. In the meantime, the chairman of the Committee on Interstate Commerce, the Senator from Montana [Mr. WHEELER], has been busy on railroad affairs and has been out of town much of the time, so that the bill referred to has not been reported to the Senate by the Committee on Interstate Commerce.

The Senator from Nevada had, previous to that time, introduced Senate bill 3845, while the hearings were pending on Senate bill 3659, had it referred to the Committee on Commerce, of which the Senator from New York [Mr. COPELAND] is chairman, and that bill is the one which is now being considered.

The Senator from Nevada and I are both extremely anxious to have this legislation enacted at the present session. If Senators will read the hearings, they will find that the industry is very anxious to have proper regulation, provided it is almost at a self-supporting point now, and it has reached such a condition that it will be impossible for the industry to obtain funds with which to continue its business on account of the fact that after interested parties have established lines, if they are not under the proper control and regulation, all the fruits of the efforts of those who have pioneered in the field may be taken from them by chiselers, who come along and try to take the lines away from them.

The substitute bill which I offered, and which is now on the calendar, is the administration bill. I am anxious that the bill of the Senator from Nevada shall be so amended that it may be passed as the McCarran bill, instead of having the substitute bill passed. The Senator from Nevada has worked faithfully and long on this proposed legislation. He was on the committee which investigated the air-mail contracts, he was the Senator who introduced the first bill in the Senate for the regulation of the air industry, and I am very anxious to see the pending bill so amended that it may be passed at this session as the administation bill, and still be the McCarran bill.

I do not expect to offer the substitute unless it shall be found impossible to amend the McCarran bill in such a way that it may go to conference and be agreed to by the Committee on Interstate and Foreign Commerce of the House of Representatives, which now has a bill on the calendar in the House, which no doubt will be passed sometime this week.

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

Mr. TRUMAN. I yield.

Mr. KING. I apologize for interrupting the Senator, but will he, before he concludes his address, point out the differences between the so-called administration bill and the McCarran bill, and, if there is an administration bill, what part of the administration does it represent? Is it the executive branch, the Secretary of Commerce, or whom does it represent?

Mr. TRUMAN. It represents the whole executive branch, the Secretary of Commerce, the Post Office Department, the President, and every one else interested in this subject.

Mr. KING. Are there any vital differences between the so-called McCarran bill and the so-called administration bill?

Mr. TRUMAN. There are not serious differences. I hope we may come to a compromise on them.

Mr. MCCARRAN. Mr. President, if I may interrupt the Senator, I should like to say that the Senator did not include

quite the right number when he mentioned the various branches of the administration. He should have included the Treasury Department, some employees of which have given most of their time to an attempt to thwart legislation, and to thwart the legislation proposed by me.

Mr. TRUMAN. Mr. President, I do not think anyone has ever made an effort to thwart this proposed legislation. It has been the business of all of us to try to get it in such shape that it will be signed by the President.

Mr. McCARRAN. There is something more involved in my life and in my views as to legislation than merely having my name on a bill. If the policy for which I stand is not involved in the bill, then I do not want my name on the bill. I have stood for a policy throughout this contest. I have stood for a policy whereby the air industry would be independent, and not be under the subjugation and control of political agencies. So long as that policy is in the legislation, I am perfectly willing to sponsor it, but so soon as that policy is removed from the legislation, then I want my name divorced from the bill.

Mr. TRUMAN. I cannot for the life of me find that there is any material difference between the substitute and the original bill, except in regard to the appointment of the Commission.

Mr. POPE. Mr. President, will the Senator from Missouri yield?

Mr. TRUMAN. I yield.

Mr. POPE. The Senator referred to a bill in the House.

Mr. TRUMAN. Yes; the Lea bill.

Mr. POPE. How does that compare with the original McCarran bill and the substitute?

Mr. TRUMAN. It is almost exactly like the substitute; it differs in only one particular.

Mr. SMATHERS. Mr. President, will the Senator from Missouri yield?

Mr. TRUMAN. Certainly.

Mr. SMATHERS. On page 19 of the Senator's substitute proposal there is a phrase which reads:

Except airports used or to be used for commercial purposes elsewhere than in national parks.

Mr. TRUMAN. We will take up all those amendments in order, and when the proper time comes, I will be ready to discuss them. I should like to finish my statement on the bill, and go into details later.

Mr. SMATHERS. Very well.

Mr. TRUMAN. Mr. President, I desire to have printed in the RECORD a statement of the differences between the substitute and Senate bill 3659, which was the original bill introduced by the Senator from Nevada. It is found beginning on page 3 and running to the bottom of page 5 of the hearings on the bill.

The PRESIDENT pro tempore. Is there objection?

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

ECONOMIC REGULATION

The provisions of S. 3659 and the substitute, which cover economic regulation of air carriers, follow very closely the scheme adopted in S. 2 last year.

There are listed below the principal differences between the economic regulation in S. 3659 and the substitute.

1. Declaration of policy: Section 301 of S. 3659 and section 401 of the substitute are very similar to the declaration of policy contained in S. 2 as reported last year. The difference is that both S. 3659 and the substitute contained an explicit recognition of the importance of competition to the extent necessary to assure sound development of air transport.

The substitute differs from S. 3659 in that the declaration of policy is, in effect, a definition of the term "public interest" and the term "public convenience and necessity" as they are used elsewhere in the bill; thus those terms are given more precise meaning. In S. 3659 the declaration is merely a general statement.

2. Limited certificates: Under section 311 (i) of S. 3659 the Authority could make all certificates of limited duration. This might be a deterrent to long-range planning and development.

Under section 402 (d) and (i) of the substitute certificates shall continue in effect until revoked as provided by law, except for certificates specifically issued for temporary periods to meet temporary needs.

3. Grandfather clause: The substitute, by section 402 (e), does not give grandfather rights if the existing carrier was inadequate and inefficient. Section 311 (d) of S. 3659 gives such rights even if the existing carrier was inadequate and inefficient. In addition, S. 3659 would give the benefit of the grandfather clause to the successful bidder for new air-mail contracts that may yet be let; whereas the substitute confines the grandfather clause to the situation as it existed on December 1, 1937.

4. Emergency operation: The substitute, in section 402 (f), permits emergency off-line operation as well as emergency off-line landings. Under section 311 (e) of S. 3659 there could be no emergency operation except through the granting of a certificate therefor after notice and hearing.

5. Abandonments: The substitute regulates abandonments by section 402 (j), with adequate safeguards for permitting temporary suspensions of service. S. 3659 has no regulation of abandonments.

6. Preference for foreign operation: The substitute does not contain the provision found in section 311 (k) of S. 3659 which gives to the holder of any existing license or franchise from a foreign country a preference in the issuance of a certificate.

7. Exemptions: Section 402 (o) of the substitute empowers the Authority to make exemptions from any provision of the act where it would cause undue hardship. It is designed especially to enable the Authority to adjust some of the requirements of the law where necessary to encourage small operators, such as the small operators in Alaska, in cases of hardship. Section 305 (c) of S. 3659 contains a similar provision, but is applicable only to a nonscheduled operation. There might be undue hardship on a scheduled operator as well, as is shown by those in Alaska.

8. Rate regulation in foreign commerce: S. 3659 regulates rates in overseas and foreign commerce only to the extent of requiring American-flag carriers to file tariffs for their services in such commerce. The substitute extends to such commerce the same regulation that is now provided for in the case of our shipping. That is, in both overseas and foreign commerce rebates and discriminations are to be prevented, and in the case of overseas commerce reasonable minimum and maximum rates may be fixed. In addition the substitute subjects the foreign-flag operator to the same regulation that is provided for its American-flag competitor. The substitute also provides that after a year's study the Authority shall report upon the advisability of any further regulation of rates in foreign commerce.

9. Carriage of mail of foreign countries: S. 3659 permits a carrier to transport mail of other countries without restriction. The substitute, in section 408 (d), makes the rate charged the foreign country subject to the approval of the Postmaster General. This accomplishes two objects: In the first place, it enables the Postmaster General to keep such rates in the proper relation to rates charged other countries and to our own foreign postage; in the second place, it will check efforts to carry mail of other countries at too low prices, so avoiding a burden on our own Treasury.

10. Mail schedules: Section 316 (c) of S. 3659 permits the Postmaster General to fix mail schedules and stops; loss of other traffic will be compensated for through mail pay. Section 408 (e) of the substitute provides that in the event of disagreement between the carrier and the Postmaster General over mail schedules the authority may decide the dispute according to an expeditious procedure.

11. Consolidations and interlocking interests: Section 318 of S. 3659 and sections 409, 410, and 411 of the substitute cover the same subject matter. The difference is that the substitute constitutes a more stringent regulation in that it subjects to approval by the authority all interlocking interests between air carriers, foreign air carriers, all other common carriers, and other persons engaged in any phase of aeronautics.

12. Securities issues: The substitute leaves regulation of securities issues to the S. E. C.

13. Unfair competition: Section 412 of the substitute, unlike section 320 of S. 3659, conforms to the recent amendments of the Federal Trade Commission Act.

14. Depreciation rates: The substitute does not require the establishment of depreciation rates. This is left to be worked out in the rate cases from time to time as more is learned about this problem.

15. Certificates involving national defense: Section 801 of the substitute, unlike S. 3659, gives the President the power to approve or disapprove the issuance, denial, terms, and so forth, of certificates and permits for overseas and foreign operations. This check is required by the very delicate questions of national defense which are involved. The Presidential power does not extend to the issuance of certificates or permits under the grandfather clause.

16. Emergency mail service: Section 803 (i) of the substitute provides for a speedy method of instituting emergency mail service in the event of catastrophe. S. 3659 does not contain this provision.

17. Judicial review: Section 1005 of the substitute provides for expeditious and plenary judicial review. Section 382 of S. 3659 applies the statute governing review of I. C. C. orders, which is more limited in scope.

Mr. TRUMAN. Mr. President, I should now like to state the fundamental differences between the McCarran bill and the substitute now pending.

Mr. COPELAND. The Senator says "the substitute now pending."

Mr. TRUMAN. The bill now pending which we are considering, Senate bill 3845, and the proposed substitute.

Mr. COPELAND. I thought from the way the Senator spoke that he had already offered the substitute.

Mr. TRUMAN. No. If we can amend the pending bill so that it will be satisfactory to everyone, I shall not call up the substitute amendment.

Mr. KING. I understand we are considering Senate bill 3845.

Mr. TRUMAN. That is correct.

Mr. KING. The Senator has just asked permission to have printed in the RECORD—I suppose in juxtaposition or parallel columns—the differences between what he calls the original bill——

Mr. TRUMAN. Senate bill 3659.

Mr. KING. The original McCarran bill, and the substitute. That would not furnish us any information relative to the differences between Senate bill 3845 and the substitute.

Mr. TRUMAN. I shall proceed now to state those differences. A great many of the differences will be overcome by pending amendments which have been offered by the Senator from Washington [Mr. SCHWELLENBACH], who is sick and unable to be present today. I understand from the Senator from Nevada that some of those amendments are acceptable to him, and I am not going to call attention to them, because they appear in the RECORD of May 9, at page 6430.

Mr. President, a further reason exists for making the substitution. As I have stated, if the Senate were to adopt the amendment I propose, the bill enacted by the Senate and that now being debated by the House would, with four or five exceptions, be identical. Thus, when these bills were sent to conference, the House and Senate conferees would be able to work out legislation within a very short time which would be satisfactory to both the House and the Senate and the speedy enactment of civil aviation legislation by the Congress and approval by the President would thus be facilitated.

I will now describe as briefly as possible the principal differences in policy which exist between the bill with the amendments suggested by the Senator from Washington and the substitute which I propose.

First. The bill provides—section 201 (b), page 15, line 5—that no member of the authority shall own any interest in any civil aeronautics enterprise. The substitute, on the other hand, does not contain such an absolute prohibition but provides—section 201 (d), page 13, line 13—that a person to be eligible for membership must file at the time of his appointment, and annually thereafter, a statement setting forth the character and extent of his interest in any civil aeronautics enterprise. It would seem that the provision of the substitute would be as effective as that of the bill and at the same time be more flexible. Senators will recall that because of such an absolute prohibition in the Merchant Marine Act it was necessary for the Congress to pass a special joint resolution to permit Joseph Kennedy to become a member of the Maritime Commission. Under the substitute the President and the Senate would be given the opportunity to decide whether the interest held by any person was sufficient to disqualify him from membership.

Second. The bill—section 201 (b), page 15, line 9—limits the causes for which members of the authority may be removed from office by the President. The substitute contains no restriction as to the President's power to remove members.

I am now stating the principal difference between the two bills. Purely executive functions of tremendous importance are vested in the authority, such as the building of emergency landing fields, establishing and purchasing air-navigation facilities, policing the airways, operating the weather-reporting service, and, in general, promoting the development of aeronautics in the United States. In view of this fact, the restriction contained in the bill on the President's power to remove members of the authority would constitute a removal of these executive functions from the responsibility of the Executive. Under the Constitution, the President is made responsible for the faithful performance of the executive functions. It does not behoove the Congress to make it impossible for the President to perform this duty.

Third. The bill provides (sec. 202 (a), p. 17, line 3) that no employee of the authority or member of the air safety board shall hold any official relation to or be pecuniarily interested in any person subject to the act. The substitute contains no comparable provision, and rightly so, because the provision in the bill would hamper the authority in securing competent personnel. Aviation stock is not held by a few powerful individuals but is scattered far and wide. Much of it is held by those who have grown up with the industry and believe in its future. It is those experienced men whom the authority must have to assist it in performing its duties.

Fourth. The "grandfather" provisions of the bill and the substitute are considerably different. The "grandfather" clause of the bill (sec. 401 (e), p. 34, line 1) would authorize the issuance of certificates of convenience and necessity to all existing air lines authorizing them to transport all classes of traffic, including mail, between the points between which the carrier continuously operated, or was authorized to operate during the period from December 1, 1937, to the effective date of the section without proof of any other fact.

Under the substitute (sec. 402 (e), p. 24, line 6) an existing air carrier will be entitled to a certificate authorizing the transportation of persons and property between points between which it has continuously engaged in the transportation of persons and property during that period, but it will receive authority to transport mail only between the points between which it was authorized on December 1, 1937, to engage in mail transportation.

In addition, the substitute permits the authority to deny a certificate under the "grandfather clause" if the service rendered by an existing air carrier has been inadequate or inefficient.

As to the first-mentioned difference between the bill and the substitute, the substitute seems preferable, because the authority, upon the advice of the Postmaster General, should have an opportunity to determine whether the Postal Service requires and the convenience of passengers and express traffic will permit the carriage of mail by air on routes over which the carriage of mail is not now authorized.

As to the second difference, the substitute again is preferable because the authority should not be required to issue a certificate to an existing carrier whose service has been inadequate and inefficient.

Fifth. There is some difference in language between the provisions of the bill (sec. 405 (d), pp. 50, 51, 52) and the substitute (sec. 408 (e), pp. 47, 48) dealing with the filing by air carriers of mail schedules. The principal difference is the failure of the bill to contain any express provisions concerning the power of the Postmaster General to designate flights operated by the air carriers as mail flights and to require an air carrier to operate additional flights for the transportation of mail. Express provisions on these subjects are contained in the analogous section of the substitute and clarify the meaning of the provisions.

Sixth. The bill contains a section (sec. 407, pp. 60, 61) requiring the authority to make an annual audit of the books of all air carriers subject to the act and determine whether any air carrier is deriving unreasonable profits. The substitute does not contain such a mandatory provision, but there is ample power in the authority to make such audits when necessary. The provision of the substitute seems preferable in view of the fact that the mandatory requirements of the bill would place an impossible administrative burden upon the authority by requiring it to make an audit with respect to each carrier annually.

The Interstate Commerce Commission is now over 2 years behind with respect to the audits that have been required of them by rail legislation.

Seventh. The bill contains a section (sec. 408 (b), p. 64, line 6) which expressly empowers the authority to prescribe rates of depreciation for the property of air carriers. The substitute contains no express provision on this subject, but

the authority in fixing the rates for a particular air carrier could inquire into the rates of depreciation charged off by the carrier, and if it found them too high, could disallow the expense. The substitute certainly is preferable in this case because the imposition of this requirement upon the authority will only increase the administrative burden of the authority and will not increase the effectiveness of its regulation. While it is possible to forecast the rate at which a railroad car will depreciate, it is utterly impossible to do so in the case of aircraft, for aircraft are developing so rapidly that they are obsolete and cannot be used in competition long before they are worn out.

Eighth. The bill contains a section (sec. 411 (a), (b), (c), pp. 70, 71) requiring all securities issued by air carriers to be approved by the authority. The substitute does not contain such a requirement but leaves the securities of air carriers to be regulated by the Securities and Exchange Commission. It is believed that the authority should not at this stage in the development of the aviation industry be required to pass upon the financial expediency of security issues.

Ninth. The bill contains elaborate provisions (sec. 604 (b), pp. 88, 89, 90, 91, 92) setting forth the territorial jurisdiction, powers, and duties of inspectors with respect to the equipment used in air transportation. The amendment contains no comparable provision, but the authority could work out the details of this inspection procedure administratively. The latter appears to be the more flexible procedure and will permit the authority to build up its organization so as best to fulfill the needs of aviation. Congress will have ample opportunity to examine the organization of the authority when that agency seeks appropriations.

Tenth. The provisions of the bill (sec. 1101, p. 132, line 5) and the substitute (sec. 1108, p. 110, line 1) dealing with hazards to air commerce are considerably different. The bill provides that persons owning or operating structures which the authority deems to be hazards to air commerce shall maintain lights and other signals thereon, the cost of installing and maintaining such lights and signals to be paid by the authority. On the other hand, while the substitute requires such lights and signals to be maintained, it places the burden of the cost thereof upon the person owning or operating the structure. The substitute contains also an additional requirement to the effect that a person shall give public notice prior to the erection or alteration of a structure which will be a hazard to air commerce. The provisions of the substitute requiring the owners of structures which are hazards to air commerce to pay for maintaining signals thereon have been attacked by the power companies and the telegraph companies, but I believe it is unwise for Congress to forsake the long-established precedent that owners of obstructions to interstate commerce should bear the expense of removing or lighting them. No person may place obstructions in the navigable waters with impunity. So should it be with respect to the navigable air space. Rather than forsake this well-established precedent, it would be wiser to strike the provision from the bill entirely.

Mr. President, I am very anxious that the legislation dealing with aeronautics should pass at the present session. With the exception of the Senator from Nevada, I do not believe any Member of the Senate has done more work with respect to it or listened to more testimony in regard to the necessity for the legislation than have I. I have been present at every hearing held on the subject. I have heard every word of the testimony, and I have read most of it after it has been printed. I have taken all the bills which have been introduced in the Senate with respect to the subject—and I now exhibit to the Senate all the bills that have been introduced dealing with this subject, some dozen or more of them—and have individually and collectively worked on them with the subcommittee of the Interstate Commerce Committee of the Senate.

Mr. BARKLEY. Mr. President——

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

Mr. TRUMAN. I yield.

Mr. BARKLEY. A number of Senators are interested to know a little more clearly the difference between the Senator's substitute and the so-called Copeland bill, the one for which the bill proposed by the Senator from Missouri is to be offered as a substitute. I understand the matter now before us relates to the difference between those two measures, the original Senate bill 2 not being under consideration at this time. Briefly, what is the point of difference between the Copeland bill and the substitute proposed by the Senator from Missouri?

Mr. TRUMAN. The fundamental difference lies in the appointment of the authority. The bill reported by the Commerce Committee, Senate bill 3845, provides for removal of members of the commission only by reason of malfeasance in office or for other cause.

The substitute does not contain such a provision, because the executive authority of the commission is reposed in the chairman. I understand that there is a constitutional prohibition in the way if the manner set forth in the bill of appointing the commission is carried out. I think the Senator from Wyoming [Mr. SCHWARTZ] has something to say on that subject.

Mr. BARKLEY. Are the bills otherwise practically the same?

Mr. TRUMAN. They are substantially the same, with the minor differences I have pointed out. I hope the bill may be so amended that we may pass it in its present form without my offering the substitute. If the amendments of the Senator from Washington [Mr. SCHWELLENBACH] are agreed to, and one or two others which I shall offer after the committee amendments shall have been disposed of, I shall not offer the substitute. If not, I expect to offer the substitute.

Mr. BARKLEY. The Senator, then, will undertake to perfect the Copeland bill in line with the main objects of the Senator's proposed substitute?

Mr. TRUMAN. That is correct.

Mr. BARKLEY. And if that result is accomplished, the bill will then be satisfactory from the viewpoint of the Senator and those who entertain the same ideas?

Mr. TRUMAN. That is correct.

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

Mr. TRUMAN. I yield.

Mr. McKELLAR. The Senator from Missouri will recall that on yesterday I asked him and the Senator from Nevada if the antitrust provisions of the present air-mail laws had been repealed, and I was answered in the negative. I do not think the RECORD shows that the Senator from Missouri answered in the negative, but the Senator from Nevada [Mr. McCARRAN] did answer in the negative.

Mr. TRUMAN. I did not answer in the negative for the simple reason that I pointed out the provision in the bill which covers that very matter. So far as consolidations are concerned, they are left to the authority, which would have a power similar to that exercised by the Interstate Commerce Commission in connection with the consolidation of railroads.

Mr. McKELLAR. The provision in the bill would repeal the present antitrust provisions of the air-mail laws, would it not?

Mr. TRUMAN. That is correct.

Mr. McKELLAR. Does the substitute do the same thing?

Mr. TRUMAN. The substitute does the same thing.

Mr. McKELLAR. I think such a provision is very inadvisable, and very bad legislation, and ought never to be agreed to. As everyone knows, at the present time the air companies are complaining that they are not allowed to consolidate. Some years ago we allowed them to consolidate, and the result was the greatest ill that ever befell the air companies. The same ill will befall them again if such combinations are permitted.

Two or three or four air companies ought not to control aviation in this country; and if the bill gives them authority to combine and confederate, in a short time all air lines will be owned by one company, and the air service, which ought to be used for the benefit of all the people and for

all concerns which want to use it in a proper way, will be under the absolute domination and control of one corporation, which will greatly injure the country, and in just as evil a way will ruin the companies themselves.

Those of us who were Members of the Senate during the period from 1928 to 1932 know what happened. It will be recalled that the air companies were combined, and all manner of rottenness and corruption resulted. It was absolutely necessary for the Government to provide against such consolidation by carefully planned and prepared restrictions against combinations. If the pending bill repeals those provisions, I do not know anything which could bring greater harm to the development of the aviation industry, or to the country itself, than to permit such combinations.

I desire to state that I cannot vote for any bill which proposes that a commission shall give air companies the right to combine and confederate into a huge monopoly. I regret very much that I shall have to vote against the bill.

Mr. TRUMAN. I will say to the Senator that I do not think there is any possibility of what he is afraid of taking place. Under the law as it now is, combinations have taken place, as the hearings which we held last year very conclusively prove.

Mr. McKELLAR. If such combinations have taken place, we have a remedy.

Mr. TRUMAN. Those consolidations were carried out under the counsel of the Post Office Department, and they were authorized by the counsel of the Post Office Department.

Mr. McKELLAR. They cannot be authorized by any Department.

Mr. TRUMAN. They were; and the testimony so shows.

Mr. McKELLAR. Consolidations ought not to be authorized by any Department; and under the law they cannot be. The Attorney General is authorized and directed to prosecute any violation of the antitrust laws. If we establish a commission, and give the commission the right to allow the air companies to combine and confederate and become a great monopoly, we shall not only have injured our country but we shall have injured the industry itself to a degree which, in my judgment, cannot be imagined.

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

Mr. TRUMAN. I yield.

Mr. McCARRAN. The able Senator from Tennessee and I have frequently disagreed. From the standpoint of the legislation proposed in my own bill, however, and likewise from the standpoint of the substitute proposed by the Senator from Missouri, to which I am opposed, both measures contain every protection against the very thing which the Senator from Tennessee fears.

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

Mr. TRUMAN. I yield.

Mr. McKELLAR. On yesterday, as the Senator from Missouri and the Senator from Nevada will recall, I asked the Senator from Nevada what had become of the antitrust provisions of the present air-mail law, as it is called.

The Senator from Nevada said that they had not been repealed. I looked into the list of repeals of laws, and found that there was no specific repeal. I asked the same question of the Senator from Missouri, and I did not understand his answer. I have looked at the RECORD this morning to see what it was. I find that the Senator from Missouri very carefully avoided answering the question. So I have asked him the same question today; and today the Senator from Missouri tells me that the provision which gives the commission the right to permit consolidations and combinations when it desires to do so in effect repeals the antitrust provisions of the present law.

If that be true—and I take it the Senator from Missouri knows his own substitute, concerning which I asked him—I think this body ought never, under any circumstances, to pass a bill which will allow a commission of the Government to permit consolidations and combinations into a trust in restraint of trade, in violation of the present law. I think the Senate ought not to pass any such bill.

Mr. TRUMAN. Let me read the proviso.

Mr. McKELLAR. From what page does the Senator read?

Mr. TRUMAN. From page 67 of the bill.

Mr. McKELLAR. Is the Senator referring to the bill or to his substitute?

Mr. TRUMAN. Page 67 of the bill:

Provided, That no consolidation, merger, purchase, lease, operating contract, or acquisition of control shall be approved if such approval would result in creating a monopoly or monopolies and thereby unduly restrain competition or unreasonably jeopardize another air carrier not a party to the consolidation, merger, purchase, lease, operating contract, or acquisition of control.

Mr. McCARRAN and Mr. COPELAND addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield; and if so, to whom?

Mr. TRUMAN. I yield to the Senator from Nevada.

Mr. McCARRAN. The Senator from Tennessee raises a straw man for the purpose of knocking him down. The Senator from Tennessee is indeed an artist at that particular art. He will concede that some agency must have independent and individual judgment.

Mr. McKELLAR. Certainly; but we have such an agency. We have the Department of Justice, whose duty it is to prosecute those who violate our antitrust laws. It is for that reason that I disagree with my friend.

Mr. McCARRAN. I asked the Senator from Missouri to yield to me. I did not ask the Senator from Tennessee to interrupt.

Mr. McKELLAR. I thought I had the Senator's permission.

Mr. McCARRAN. I know the Senator from Tennessee always thinks he has the floor, but sometimes he does not have the floor.

Mr. McKELLAR. I yield it now, at any rate.

Mr. McCARRAN. Mr. President, every precaution has been written into the bill so that the antitrust laws and all laws for the prevention of combinations and monopolies shall be enforced. Such protection has been written into the bill from the standpoint of judicial law as the law has been construed by our courts; it has also been written into the bill from the standpoint of statutory law as the law has been construed by Congress, so as to protect, as far as possible, against combinations and monopolies and yet yield a flexibility of progress. Protection has been written into the bill against combinations and monopolies in restraint of trade, in restraint of commerce, and in restraint of everything which would constitute a monopoly.

A moment ago the Senator from Missouri read an extract from the bill. There can be no stronger language than that provision.

Mr. TRUMAN. I do not see how there could be.

Mr. McCARRAN. Will the Senator yield for just a moment further? I do not wish to interrupt his statement, because I desire that he have all the time necessary to present his views.

Mr. TRUMAN. I yield.

Mr. McCARRAN. I wish to say that the Senator from Missouri, as chairman of the subcommittee, has given extensive and zealous study to this subject. He and I will differ sharply during the afternoon. We shall have differences with regard to policy, but there is no difference in the degree of application and study given by each of us to this subject.

The Senator from Missouri and myself have tried to work into this proposed law provisions which would guard against anything savoring of monopoly. We have tried to work into the bill provision for an independent agency to control one of the greatest avenues and opportunities for commerce we will have 10 years from now.

There is only one difference between the Senator from Missouri and myself, and I am going to use just a sentence or two to describe it, if I may, in the time of the Senator from Missouri. The difference between the Senator from Missouri

and myself is that I want an agency that is really independent—that is not dependent on any political authority for its existence. I do not want an agency that can be destroyed either by the White House under a Republican administration or under a Democratic administration. I want an agency that will have the same outstanding position as has the Supreme Court or any other court. I want an agency that will deal with and control and regulate one of the greatest avenues of commerce the country will have 10 years from now, an agency that will regulate it from the standpoint of experience, that will regulate it without fear and without favor, regardless of any political authority. That is all the difference there is between the Senator from Missouri and myself.

To the Senator from Tennessee [Mr. McKELLAR], who sets up a straw man when he suggests that we are trying to destroy the antitrust laws, let me say that he is not a more ardent advocate of the antitrust laws than am I. I am one of those, as is the Senator from Missouri, who are determined to fight for the enforcement of the antitrust laws. We would go, perhaps, or, at any rate, I would go, perhaps, much further than does the present administration of the Government to enforce the antitrust laws, for the present administration has seen fit in times past to forget the antitrust laws. But I will not go into that in detail.

Mr. COPELAND. Mr. President, will the Senator from Missouri yield to me?

Mr. TRUMAN. I yield to the Senator from New York.

Mr. COPELAND. The subject under discussion received attention not only in the Committee on Interstate Commerce but also in the Committee on Commerce. I call attention to five places in the pending bill where the question of monopoly is dealt with in one way or another with the view to its control and prevention. First, I ask Senators to turn to page 12, lines 16, 17, and 18, where in the declaration of policy, among other things, it is declared to be the policy of Congress—now we come to the language on line 16:

(3) To preserve and encourage competition in such transportation to the extent necessary to assure the sound and safe development thereof.

When the bill came to the Committee on Commerce that committee added this language on page 13, line 2, in the declaration of policy:

(5) To promote competition to the extent necessary to assure the sound development of an air transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense.

Now, Mr. President, I ask Senators to turn to page 30, where is found another addition made by the Committee on Commerce to the bill. In line 20 on that page, in the section devoted to the expenditure of Federal funds, there is found this provision:

There shall be no exclusive right for the use of any landing area or air navigation facility upon which Federal funds have been expended.

I turn now to page 37, line 11, and read, under the heading "Certain rights not conferred by certificate," the following language:

No certificate shall confer any proprietary, property, or exclusive right in the use of any air space, civil airway, landing airway, or air navigation facility.

We come now on page 67 to the language read by the Senator from Missouri.

Mr. BORAH. Mr. President, may I interrupt the Senator?

Mr. COPELAND. Yes.

Mr. BORAH. Is it agreeable to the Senator from Missouri to yield?

Mr. TRUMAN. I yield to the Senator.

Mr. BORAH. First, let me say I have no doubt of the intent of the framers of this proposed legislation to inhibit or prohibit monopoly; but the language which is used on page 67, in the hands of a commission or of a court which desired to deal with the question with some degree of liberality, in my opinion, would permit practices which would be undesirable. The provision reads:

Provided, That no consolidation, merger, purchase, lease, operating contract, or acquisition of control shall be approved if such approval would result in creating a monopoly or monopolies and thereby unduly restrain competition or unreasonably jeopardize another air carrier not a party to the consolidation, merger, purchase, lease, operating contract, or acquisition of control.

In other words, the use of the words "unduly" and "unreasonably" accentuates the doctrine laid down in the Standard Oil case. With all respect for that tribunal I do not wish to connive at a still more liberal construction.

Mr. COPELAND. I think the Senator is correct about that, but I wish to point out—the Senator from Missouri has not authorized me to say this but I learned it somewhere else—that I understand Commissioner Eastman, of the Interstate Commerce Commission, suggested this language or wrote this language. Am I correct in that statement?

Mr. TRUMAN. That is correct.

Mr. COPELAND. I wish to say to the Senator from Idaho that, so far as I am concerned, I will be perfectly satisfied to have the two words "unduly" and "unreasonably" stricken from the bill, because it was the purpose certainly of the Commerce Committee, and I have no doubt of the Interstate Commerce Committee, so to write this bill as that there should be no monopoly.

Mr. TRUMAN. That is the point. We want to write it so that there will not be monopoly, but we did not want to put the air lines in a strait jacket so that if a weak line, which was of service to the public, was about to blow up a strong one could not take it over and keep it in operation.

Mr. McCARRAN. Mr. President, if the Senator from Missouri will yield, though I do not wish to interrupt the Senator from New York if he was about to speak further——

Mr. COPELAND. No; I was simply going to say that, running through this bill, in these five specific instances particularly, is evidence of the intent of both committees to do away with monopoly. I repeat, so far as I am concerned, as chairman of the Committee on Commerce, I am perfectly willing to accept the suggestion of the Senator from Idaho regarding the words which he has mentioned on page 67.

Mr. McCARRAN. Mr. President, if the Senator from Missouri will yield——

Mr. TRUMAN. I yield.

Mr. McCARRAN. I should like to say a word in reply to the Senator from Idaho. The Senator from Idaho will recall that the provision to which he has referred is today the judicial law of this country. He will recall that the Railroad Transportation Act of 1920 carried that very language and we have been operating under that language for years.

We have got to do one of two things. No phase of this proposed legislation has been more studiously considered than that which would bring it within the scope of the antitrust laws as they have been carried out. But we have to consider that the quasi-judicial authority which we propose to set up shall have an opportunity and the ability within the law to cope with a situation which if it did not have such ability and opportunity might destroy property and destroy public service.

For instance, let us say there is an air line—and I use now as an illustration an industry with which the bill deals—which is fast dwindling and about to go out of existence. Another line wants to take it over and can take it over and operate it. After all is said and done, what are we legislating for? Are we legislating to give to some designated authority peculiar province and power or are we legislating for the public? If we are legislating for the public, then the public should be served. Service is the thing uppermost. If a constituted authority, acting under the provisions of law and within the powers granted to it by the law, should say under such a condition, "This agency is going out of existence; a particular community cannot be served hereafter unless some other agency takes it over; we find so-and-so; we find that it should be taken over." Then should we say that the authority shall be placed in a strait jacket and the community that should be served will not be served any longer?

First and primarily it is the public in whom we are interested. There must be a flexibility somewhere. There must

be a reliance upon human judgment and human consideration somewhere. We rely on it now; we rely on it in our fundamental principles of government; we rely on it in the case of the nine men on the Supreme Bench. We say they are infallible; that their's is the last word—and that is what infallibility means. We rely on human judgment when we create commissions. We say they shall have power to do so and so; we must not tie their hands.

If the language in the particular section goes further than to permit them to exercise their honest judgment, and if the Senator thinks there should be a further restriction on their power in the exercise of human judgment, perhaps the language might be stricken from the bill; but I am not at all in accord with the idea of striking it out, because the language has been written into the bill after a study of every decision which has been rendered. It has been written into the bill after a review of every action of the boards and commissions created in this country. It has been written into the bill studiously, and every word has been written in after long and arduous consideration.

Mr. BORAH. Mr. President, will the Senator from Missouri permit a further interruption?

Mr. TRUMAN. Certainly.

Mr. BORAH. I quite agree with the able Senator from Nevada that this language undoubtedly has been adopted from the language used by the Supreme Court in the monopoly cases; but I do not think it is a principle which we ought to foster and encourage. If we say that there shall be no monopolies, as the bill does say, and that commerce shall not thereby be restrained, in my judgment the authority will have the power to do what the Senator indicates he would like to have them do.

Suppose an air line is going out of business, as the Senator suggests, and it is necessary to have it taken over by another line. Why do more than give the second line the authority to do so in case it will not restrain competition? If it does restrain competition, in my judgment it ought not to be done, and I think the Senator will agree with me. I know the Senator believes in the doctrine that monopolies should not prevail, and that competition should prevail. If that is true, why not say in the language of the bill that a consolidation shall not restrain competition? When we say that it shall not unduly restrain competition, we give to the judicial power or to the quasi-judicial power the judgment to say whether, in its opinion, competition is unduly restrained. We are permitting them to restrain competition, but not unduly to restrain competition. In my opinion, that is a power which ought not to be granted; and I hope the time will come when the antitrust laws will be so strengthened that the unfortunate decision in regard to unreasonable restraint of trade will be set aside.

Mr. McKELLAR. Mr. President——

Mr. McCARRAN. If I may interrupt the Senator from Missouri once more, of course the Senator from Idaho will concede my statement that the antitrust laws were very much crippled in the early years of this administration when we enacted the N. R. A. and other legislation following it.

Mr. BORAH. Yes; I certainly concede that, and I opposed the N. R. A. at the time on that ground.

Mr. McKELLAR. Mr. President, if the Senator will now yield to me, I desire to submit a suggestion to the Senator from Idaho.

Subsection (b) on page 67 reads as follows:

> Power of Authority: Any person seeking approval of a consolidation, merger, purchase, lease, operating contract, or acquisition of control, specified in subsection (a) of this section, shall present an application to the Authority.

The Senator has read the other portions of that section. The very fact that all persons are advised that anyone may seek approval of a consolidation, or a merger, or a purchase, or a lease, or an operating contract, or acquisition of control, indicates what the language means. It indicates that they have a legal right to have the authority approve a consolidation, or approve a merger, or approve a purchase, or approve a lease, or approve an operating contract, or approve acquisition of control. Those are powers it seems to me, which should be denied.

Mr. TRUMAN. Mr. President, I call the Senator's attention to a specific instance which happened just a year and a half or 2 years ago with the Pennsylvania and the Central Air Lines between Washington and Pittsburgh.

Mr. McKELLAR. I recall it very well.

Mr. TRUMAN. That very condition is just as likely to occur in the case of another line that is absolutely essential for the transportation of mail and for the transportation of passengers; and unless some strong line should be authorized to purchase it and take it over and operate it, the line would go out of business.

Mr. McKELLAR. Then why is it necessary to repeal the present law?

Mr. TRUMAN. I will say to the Senator that I do not concede that it is repealed. There are certain conditions under which such consolidations may be made with the permission of the authority.

Mr. McKELLAR. Is there no specific repeal section?

Mr. TRUMAN. There is no specific repeal section.

Mr. McKELLAR. I understood that there was a difference in the two bills on that subject. Am I mistaken about that?

Mr. TRUMAN. No; I do not think the Senator is mistaken.

Mr. McKELLAR. I shall have to look it up and see.

Mr. McCARRAN. Mr. President, may I interrupt the Senator again, in order that I may address myself to both the Senator from Idaho and the Senator from Tennessee?

Mr. TRUMAN. I yield.

Mr. McCARRAN. With regard to the incident referred to by the Senator from Tennessee, I very distinctly recall that the Senator from Tennessee, at a hearing conducted by the Senator from Missouri when my bill was under consideration, had drawn to his attention the consolidation of the Pennsylvania and Central Lines; and I quote him literally now, though not verbatim:

> If that consolidation was permitted, somebody should be prosecuted.

That is the substance of what was said by the Senator from Tennessee, is it not? Am I reasonably correct in that?

Mr. TRUMAN. The Senator is correct.

Mr. McCARRAN. So the Senator from Tennessee blows hot and blows cold.

Mr. McKELLAR. Oh, no.

Mr. McCARRAN. He blows hot when it suits him, and he blows cold when it suits him.

Mr. McKELLAR. But I am against monopolies always.

Mr. McCARRAN. The Senator says somebody should be prosecuted because under this very act, if you please—under the act he has tried to defend here—an effort was made to bring about a consolidation which violated the very law for which the Senator now contends.

Mr. McKELLAR. Mr. President——

Mr. McCARRAN. I do not yield. I have the privilege of the floor from the Senator from Missouri. If he calls me to order I will yield, but not otherwise.

Mr. McKELLAR. Of course, if the Senator from Nevada will not yield, I shall ask the Senator from Missouri to yield to me in a moment.

Mr. McCARRAN. That is all right.

Now, let us consider the subject sanely and soberly. There is just one thing which the author of this bill wants, and that is any language—and I have tried studiously and zealously to select the language from the decisions of the Supreme Court, from the rulings made by commissions, from my experience, and from my training in the law—which will do two things: First of all, comply with the antitrust laws of the country so as to provide the greatest protection for competition. Secondly, give a high degree of flexibility to human judgment when I select an agency to exercise human judgment.

Mr. BORAH. Mr. President, if the Senator will permit me, I think the Senator does not need to argue with me that the Senator from Missouri has honestly and sincerely and ably endeavored to do that very thing.

Mr. TRUMAN. The committee worked hard and earnestly and faithfully on that subject, and went into all the decisions.

Mr. BORAH. I have no doubt about that. Neither have I any doubt about the ability of the committee which is working upon the subject. But upon this subject I have long entertained very decided views. I simply wish to suggest them for the consideration of Senators. We had the same thing come up when we had the N. R. A. We were going to revive and rehabilitate the earth by giving people discretion to do away with the antitrust laws whenever they thought in their judgment they should do so. We went through that experience. I myself do not want to be a party to writing into the law that which I think will aid in the destruction of competition.

Mr. McCARRAN. Mr. President, I will settle the question in a moment. I have such profound respect for the Senator from Idaho, and his knowledge of constitutional law, and his everlasting devotion to the antitrust laws, that I am going to accept any amendment he will offer along this line which will aid me in carrying through this legislation.

Mr. BORAH. I believe that if the Senator will strike out the words "unduly" and "unreasonably," he can still do what the Senator from Missouri has suggested ought to have been done in one case, and what the Senator himself has suggested should be done in other cases. There would still be sufficient flexibility.

Mr. TRUMAN. I have no objection to that.

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

Mr. TRUMAN. I yield to the Senator from Tennessee.

Mr. McKELLAR. I have been called out of the Chamber for a moment. Before going, I just wish to say that I think the bill has been vastly improved by the suggestion of the Senator from Idaho that in line 21, page 67, the word "unduly," and in line 22 the word "unreasonably," be stricken from the bill, and I am very happy that the authors of the bill are willing to strike out those words. I think striking them out will improve the bill tremendously.

In reference to a statement made by the Senator from Nevada [Mr. McCARRAN] a moment ago about my blowing hot and cold, I wish to say that I never stated that the men referred to should be prosecuted. I said then and I say now that anyone who has violated the antitrust laws of the United States should be prosecuted whenever they violate the law, and whoever they may be. The only thing in which I am concerned is that this bill should not repeal laws which I believe are to the best interests of this country, and of this Government, and of the people themselves who run aviation.

I know that that is a correct position, and that is the only thing I desire to see accomplished in any legislation we may enact concerning this very important subject. I thank the Senator for yielding.

Mr. TRUMAN. Mr. President, I have concluded my remarks. I am very anxious to see the proposed legislation passed at this session, and I hope it will be passed promptly, so that when the similar bill shall have passed the House, the two bodies may get together and agree on a measure which will accomplish the purposes everyone here has in view.

Mr. POPE. Mr. President, I should like to ask, what would be the effect of striking out the words "unduly" and "unreasonable" on page 67? In other words, why were those words inserted in the first place? Was there a reason for inserting them; and if so, what would be the effect of striking them out?

Mr. McCARRAN. Mr. President, in my judgment, if the Senator addresses his question to me, the effect would be that it would lessen what I choose to term the flexibility of judgment. In other words, we are creating an authority to deal with a great industry. We are giving to that authority very much power and latitude, so that the industry may go forward and the public may be served.

If we provide that they shall not do a thing "unduly" or "unreasonably," we inject into the law the equation of human judgment as to what is undue and what is unreasonable. If we take those words out, then we say that they shall not do a certain thing. That is an analysis of it, as I see it.

Mr. POPE. Mr. President, this is the question in my mind. There is authority for consolidation, for merger, or for operating contracts.

Mr. McCARRAN. Yes.

Mr. POPE. It seems that any consolidation or any merger in the ordinary case——

Mr. McCARRAN. Would be denied.

Mr. POPE. Would have to be denied.

Mr. McCARRAN. That is correct.

Mr. POPE. If we leave out those words. So that in a consolidation or merger or operating contract, acquisition of control would not be possible with those words left out. That may be a desirable thing, but I merely wished to get it clear in my mind.

Mr. McCARRAN. I shall answer the Senator's question, and I am glad the Senator from Idaho is going to assist me, because I know his mind and mine run along the same lines with reference to this subject.

If we strike out those words, we make it hard and fast that they shall not do a certain thing; but they will do it, because their judgment will operate, no matter what law we enact. Then, when they do it, we have to come back to the law and say, "You did it wrongfully" or "you did it rightfully," and then some court will have to pass on it finally.

Mr. BORAH. Mr. President, the suggestion of my colleague that a merger necessarily destroys competition, in my judgment, is not well sustained. There may be a merger or there may be a combination, and it may not have any effect on the question of competition whatever. It all depends upon the facts in each case. What I desire to see accomplished is the preservation of the opportunity of competition. When we say to the commission that these lines shall not do a thing "unduly" or "unreasonably," it is very different from saying that they shall not do it. It gives too much room for unlimited construction.

Mr. LUNDEEN. Mr. President, if the discussion of antitrust provisions has been concluded, I should like to offer a few suggestions to the Senate.

ARMY, NAVY, AND AIR SERVICE

Aviation is and always will be a subject of major importance in the affairs of the Nation. Aviation was spoken of yesterday by the able Senator from Nevada as a strong right arm of national defense. I agree with that statement, and I am much in favor of any and all possible means of legislating for the good of the air service of America.

AVIATION IN NATIONAL DEFENSE

Certainly aviation is national defense. No matter whether it is aviation in the Army, in the Navy, in the Coast Guard, or civil service. Certainly civil aviation furnishes pilots and minutemen who stand ready to defend the country at a moment's notice.

RAILROADS IN NATIONAL DEFENSE

It was my intention yesterday to address the Senate on another subject of national defense, and to do so before the conference report on the super, super naval authorization bill is agreed to by the Senate, and I understand that the super-Navy conference report is about to be presented to the Senate. I desire to address myself to the subject of which I have just spoken—that of national defense.

As we must have airways and air-roads for national defense and efficiency and businesslike operation in the air and on our landing fields and air stations everywhere on land and on sea, so we must also provide for an adequate transportation system on land. Our railroads and our highways must be ready and efficient so that they will operate in time of national crisis.

IT MUST NEVER HAPPEN AGAIN

It must never happen again, as it did when the World War broke out, that private owners of our railways come to the Nation and say, "We cannot operate the roads in this crisis. Now that the war is on—now that Uncle Sam needs us—we have fallen down and are unable to operate." That did happen, and on bended knee the private owners asked the Government to take over the operation of the roads. And the Government did so—rehabilitating the roads, as the able Senator from California [Mr. McADOO], who was director general of the railways, so well knows. We did condition the roadbeds of these railroads. We put the rolling stock and equipment of the roads in condition. We improved the personnel and put the American railway systems on their feet with public money. But we waited until the war come on. We waited until there was a crisis, and the crisis accentuated and emphasized the break-down.

RAILROAD SYSTEMS IN DANGER

It is about time that we look down the road into the future, that we have a little vision, a little foresight, and remember that "where there is no vision the people perish." I am now referring to an article which appeared in the Washington Times, Saturday, May 7, 1938, in double-column headlines, in which it is said that the blunt-spoken chairman of the Reconstruction Finance Corporation, Jesse Jones, told the House Banking and Currency Committee that there are not more than four railroads in the United States now earning their fixed charges. He further stated that on a basis of present earnings, there were not more than half a dozen railroads that could last a few years. These are words from the able and respected chairman of the Reconstruction Finance Corporation, plainly and bluntly stated to the House Banking and Currency Committee last Saturday.

LOOK FOR NEW RAIL BILL

Chairman Jones further says that he favors a rail-aid bill in part because he wants to give the Reconstruction Finance Corporation a greater voice in the reorganization plans affecting the carriers. In other words, the railroad chiefs are either unwilling or unable to run the railroads of this country as they should be run. I cannot believe that they are unwilling to do so. Therefore, they must admit their inability to properly conduct the railway systems of America. It seems to me that there is a conflict between the managements of the roads and the stockholders and bondholders, and that the managements of the roads are too much interested in their own welfare.

TWO POSSIBLE SOLUTIONS

In fact railroad presidents have been quoted in the public press as saying—and these are not my words; I am quoting the statements which have been repeatedly made in the press by railroad presidents—that there are only two possible solutions for the railroad problems of today in America—either a great consolidated privately owned railroad monopoly or absolute outright Government ownership. So far as I am concerned, I am unable to see where the investors in these railroads, innocent people, by the millions, whose funds have been drawn into the financing of the railroads, are ever to secure real protection for their investments unless the Government steps in, owns, controls, and operates the railroads of the country.

I do not mean that these investors should receive payment for watered stock and inflated capitalization, but I mean to say their actual investment is in danger and is now being lost because of the inefficiency of private ownership and control and operation of our railroads.

CONDITIONS MAY BECOME WORSE

An authority on public affairs stated the other day that as to railroads the solution is now clear. It is now fairly certain that in the next few months their position will become worse—not better—as a result of continued depression and shortage of traffic. It is inevitable that there will be many Reconstruction Finance Corporation loans. The earlier attitude that some roads should be put through the wringer has softened and will soften further. Reconstruction Finance Corporation purchase of railroad bonds directly, or indirectly by loans, is a possibility, but not a certainty. The object would be to help the banks and other financial institutions which suffer from the holding of depreciated railroad bonds.

WAGE CUTS IN THE OFFING

Pressure for railroad wage cuts is increasing, and it is hard for objective observers to see how they can be avoided eventually—but not before the November elections. The administration will find methods of stalling off a showdown, for wage cuts would hurt New Deal votes. In the meanwhile, expect threat of railroad strike, but not an actual strike.

AMERICANS SHOULD KEEP OUT OF FOREIGN ALLIANCES

I am not an alarmist about foreign affairs. We tried our best in 1916 and 1917 to keep this country out of the quarrels of Europe. But now again we seem hell-bent for war. We seem to be hunting for war. We are bound to get into a war somewhere, and if the war is not ready-made, we will send a little scrap iron and a great deal of ammunition and airplane engines and fighting planes and all the equipment of war, and then we will run our gunboats and our fleets into the fire zone; and if Senators think I am overstating, I shall now quote the headlines of the Washington Daily News, Wednesday, May 11, 1938, which cover only one in a series of news articles of this nature. These are the headlines, three columns wide:

Foreigners in peril as Jap Navy fights to seize China port. American and British warships rushing to Amoy to rescue citizens endangered by Tokyo's attempt to capture well-defended city on southeastern coast.

Then the article goes on to state:

United States and British warships raced toward Amoy today as Japanese Navy authorities threatened to ignore foreign rights in their attack on the island port.

The American gunboat *Asheville* arrived at Amoy today after an all-night race up the coast, and was prepared to evacuate the 38 Americans if necessary.

I hope that is true.

The cruiser *Marblehead* was known to be on its way; the destroyer *Edsall* was reported steaming at forced draught down from Tsingtao; and reports from Manila indicated that a destroyer flotilla might be ordered from there.

The report refers not simply to one boat, but to an entire American flotilla which may be sent to the scene of action.

The British destroyer *Diana* was at Amoy and the destroyer *Dainty* was en route from Swatow. Ferocious fighting was reported at Amoy.

And there you have it. American warships, American sailors, American defense forces are being ordered into the line of fire, into the war zones, and, if I am correct, this is long after the citizens and "hucksters," as the able Senator from Washington terms them, had been ordered out. Perhaps some of these men are emissaries of American business. They have had ample warning to leave, and have no business endangering the lives and property of our entire Nation. In order to help them, we are sending our battleships as noble missionaries to Christianize in oriental waters. I do not know the occupation of these people. I do not understand the excitement occasioned by these 38 people who should long ago have left this region and are now endangering thousands of American sailors and our war vessels which are being rushed into the Japanese zone. I do not favor such a policy.

OUR NAVAL FRONTIER

I prefer the policy we laid down in the Senate during the naval debate when we called upon the Nation to declare a naval frontier from Bering Sea to the Hawaiian Islands, to the Panama Canal, to the Virgin Islands, to the northeast coast of Maine, which, by the way, means that the fleet should stay approximately within those waters in times of peace to defend our shores, and to uphold the Monroe Doctrine, which was also included. It did not mean that our fleet could not cross the line and search out the enemy

navy and destroy it if it was approaching American territories and our commander in chief issued proper orders in time of war. Any such contention is, of course, absurd.

Yet, able Senators on this floor scoffed at the idea of such a frontier. Now, however, I notice an Associated Press dispatch in the Chicago Daily Tribune of Monday, May 9, 1938, which says:

The United States Navy's projected air bases will run from Kodiak Island, Alaska, to Dutch Harbor, to Midway Island, to Wake Island, to Canton Island, to Pago-Pago Island, and to the Panama Canal.

I am very much in favor of the measures which have been proposed to improve America's air service, and to have a line of defense which our air service can protect in time of trouble, and which will provide an outpost even in time of peace.

ACCORDING TO THE CHICAGO TRIBUNE

According to the dispatch in the Chicago Tribune this is to be our scout line for aviation which is indirectly and absolutely in line with the naval frontier we proposed. It is a little further advanced than our proposed territorial waters, but aviation must always be somewhat in advance of the fleets. They must reach out, report, and return. I ask the Senate's consideration of these vital matters. I notice that the same newspaper has an entire advertisement concerning foreign news, with pictures of Hitler, Mussolini, war pictures from China, and numerous paragraphs showing the superiority of this newspaper in gathering foreign news. In this connection please remember that the British destroyer *Diana* is stationed at Amoy, and that the British destroyer *Dainty* is en route from Swatow while ferocious fighting is now being reported.

WHO ARE THE DEMOCRACIES?

It was not so long ago that we were weeping on the shoulders of our dear friends, the democracies of Europe—Britain and France, for example. They were the dear, beloved democracies. They were democracies like America, democracies that observe treaties and the sanctity of treaties, democracies that with brutal force never subjected anybody—oh, no. They were democracies that were held out as saintly and worthy of being an example to the rest of the world. At that time I ventured the assertion that there was no difference between the conquest of Ethiopia by the Italian nation and the bloody, brutal conquest enforced upon the Boer republics by the British Empire. The little Boer republics, with a population no larger than my home city of Minneapolis, withstood the assault of the entire Empire for more than 2 years. The last of the Boer republics were drowned out in blood because they happened to have a few diamond mines and gold mines which the British were after. I am citing only one example. I could go into the history of these two nations to show that their respect for the sanctity of treaties, their reliance upon force and war, is the same as that of other nations, and that their democracy can be put in serious question at this hour.

I have here before me the recent statement of the former chairman of the Foreign Relations Committee, the able Senator from Idaho [Mr. BORAH], who calls attention to the French and British "shameless betrayal" of Ethiopia. They assumed a championship and guardianship of these hapless people and held themselves out to the world as saviors of Ethiopia. Now they stoop to guarantee that Mussolini's conquest will be recognized by their governments and that the stamp of sanctity and approval will be put upon this bloody transaction.

The distinguished Senator from Idaho further states:

That it is time to avoid discrimination between European democracies and dictatorships.

He further states:

They all follow the same principle. The so-called European democracies now are engaged in violating the most solemn promise ever given to a small nation. The program of violation is led by the democracies.

Today the whole world knows that recently Great Britain signed up with Italy, sat down with her at the same table and treated with her, and that Great Britain marched arm-in-arm with Hitler and Germany in these last few days when the Austrian question was settled.

I am reminded of the statement of the first President of this country who said in his farewell address:

Excessive partiality for one foreign nation and excessive dislike for another cause those whom they actuate to see danger only on one side, and serve to veil and second the arts of influence on the other.

However, it seems to be very old-fashioned now to turn back to the first President of the American Nation. He is said to have died 150 years or so ago, and that is all passed, and the smart boys are proposing the policy now. But Jefferson used the same foreign policy, Jackson used the same foreign policy, and Lincoln stood for the same policy. So did Grover Cleveland, and so has every public man who has attained to eminence in statesmanship in this country.

OUR FIXED FOREIGN POLICY

There might be much controversy and disagreement upon these questions which I have mentioned to the Senate, but certainly there should be no disagreement as to the Washington, Jefferson, Jackson, Lincoln foreign policy—the fixed foreign policy of America. That policy teaches us that there are no real favors between nation and nation, and that we must not have favorites among nations. We should trade with all, be friends with all, and avoid entanglements in their quarrels. I feel certain that the majority here will not listen to these policies. Rather, they will pursue a policy of their own—an erroneous foreign policy, a policy which branches off from the great highway that we have followed through all these years to glory and greatness, until the World War. This recent foreign policy is now being furthered by the great naval expansion bill which, in my opinion, is a bill for an aggressive navy, because we have been definitely shown by naval authorities that it is not needed for defense, and therefore it would seem that it is being built for aggressive action in oriental and European waters.

When the country faces a situation like that it behooves us to bend our best efforts toward social security and contentment among our people at home, to the development of aircraft and airways as proposed in this bill now before the Senate, and to a sane and stable policy of handling our railroads, and other important vital domestic problems.

GOVERNMENT OPERATION OF RAILROADS ESSENTIAL TO WAR PREPAREDNESS

Government ownership of railroads is certainly a question which is directly before the people today.

PREPAREDNESS FOR JUSTICE AND SOCIAL WELFARE

We ask the proponents of the naval expansion bill this question: "Will you approve the measures necessary to put America in condition to defend herself?" The Honorable Frank P. Walsh, who was chairman of President Wilson's Commission of Industrial Relations, stated, as America was preparing to enter the World War:

Preparedness for war is only a symbol of that infinitely greater thing: preparedness for peace built on justice and social welfare. The great foe of industrial justice and social welfare is monopoly—monopoly of land; monopoly of natural resources; monopoly of the power to control other men's lives.

A few moments ago we listened to a very learned and able discussion on monopoly.

It is significant that America alone, of the great nations going in for rearmament, is paying so little attention to its internal conditions, which are the most important considerations. Real preparedness involves entirely different conditions from those prevailing in the United States today.

GOVERNMENT OWNERSHIP OF RAILWAYS NECESSARY TO NATIONAL DEFENSE

Basic to the successful winning of any war of offense or defense—and what Senator will rise in his place to advocate a war of offense?—is an efficient, coordinated transportation system, which will operate not only passably, but efficiently and effectively under the stress and strain of war prepara-

tions. It is quite obvious that the railroads in America are today in a chaotic condition. It is equally obvious that merely pouring a few hundred million dollars of Government money into the coffers of the railroad exploiters of the American people will not produce efficiency. There is but one answer to this issue: If America expects to become involved in hostilities abroad or proposes to defend its own shores against invasion or attack, we must have Government ownership of the railroads, that they may be operated as a unit, that there may be coordination between rail, motor, inland waterways, and coastwise traffic. This is essential for the efficient conduct of war, no less than in time of peace.

THEY TELL US WAR IS IMMINENT

We were told on the floor of the Senate a few days ago that we were in imminent danger of immediate attack. That statement was repeated again and again on the floor of the Senate. I maintain that we should not wait until we get into a situation such as that of the World War, and have the railroads break down further upon our hands, as they did then, but we should take time by the forelock and proceed at this time.

If America expects to become involved in hostilities abroad, or proposes to defend its own shores against invasion or attack, we must have Government ownership of the railroads, that they may be operated as a unit. This fact is attested by the actions of other nations engaged in increased armament, as well as by our own experience during the World War, which cannot have faded from the memories of Senators whether they were then Members of this body or not.

GERMANY AND ITALY HAVE GOVERNMENT OWNERSHIP OF RAILROADS

Germany and Italy have long owned their railroads as an essential part of their preparedness program. Germany's efficient defense against two-thirds of the world would not have been possible without government ownership of railroads. The first of the year France took over all major railroads under a plan which effects a compromise between private ownership and immediate nationalization. All railroads were fused into one big company, controlled by a board of directors in which the Government has a majority. Shareholders retain 49 percent of the shares in the new company, and a system of annuities for payment of interest and amortization to private stockholders is provided.

At the same time the reorganization of the railroads of France was effected. A further degree of coordination of railroads with auto and truck transport service, and also lake, river, canal, and aviation transport, was enforced.

GREAT BRITAIN CONSOLIDATES RAILROADS

Britain consolidated its several railroad systems into four major companies, partly as a defense measure and partly because it was essential to the efficient operation of British economy.

It is somewhat significant that the railroads which are now coming to Congress, hat in hand—and they will be here before we get through with this discussion—were ordered by Congress years ago to consolidate under the provisions of the Esch-Cummins Railway Act, but the only consolidation in which they have indulged is their consolidated refusal to obey the mandate of the declared policy of Congress.

PRIVATE OWNERSHIP OF RAILWAYS FAILED IN TIME OF WAR

Of the world total of 789,000 miles of railroad, 345,000 miles, or about 44 percent, is government owned, although, of course, the method of ownership varies in different countries. The United States and Great Britain are the only two important countries in the world which do not own at least part of the railroad mileage within their boundaries; but both of these nations had to take over the operation of the railroad systems during the World War. Private ownership could not operate them. Private ownership failed to meet a war crisis, and it was necessary for the Government to do the job in time of peril—not a proud record for private ownership.

How will private investors ever get back their legitimate investment unless Uncle Sam steps in to reimburse them? I have just stated that I am not in favor of reimbursing them on the basis of inflated or watered stocks; but actual investment must be considered. I do not propose any policy of confiscation.

RAILROADS FAILED TO ENTER VOLUNTARY COOPERATION

Upon the entrance of the United States into the World War in April 1917, an effort was made to meet the then apparent break-down of competitive railroads by means of voluntary cooperation through the Railroad War Board. This system of voluntary cooperation was no more effective in producing efficiency than voluntary enlistment was successful in producing an army to protect the investments of Americans abroad.

INTERSTATE COMMERCE COMMISSION REPORT ON RAILROADS' FAILURE IN TIME OF WAR

There were some minor improvements in service, but in December 1917 the Interstate Commerce Commission reported to Congress that the railroads could not operate as required for national defense. Under these conditions President Wilson took possession of the railroads, under authority already existing, on December 26, 1917. Good Democrats ought to mark well and remember that fact. Federal control of railroads was placed in the hands of the United States Railroad Administration, established in January 1918. It is true that the railroads were strong enough then to secure a guaranteed rental which, as the late Senator Cummins, of Iowa, stated, "shocked the moral sensibility of mankind."

GOVERNMENT SUCCESSFULLY OPERATES RAILROADS IN WAR TIME

For 26 months, from January 1918 through February 1920, the Railroad Administration operated the railroads of the country as a single system and there was a complete pooling of railroad stock and other railroad facilities. Walker D. Hines, in his War History of American Railroads, asserted that the increase in operating cost under Federal control was "not out of line with the increases in cost of private industry during the war period."

He also stated that any fair study—

> Must lead to the conclusion that in periods of extraordinary difficulty the Government's temporary operation of the railroads accomplished with credit the object which made resort to it imperative.

It is because I have studied the extent to which Government ownership of railroads is progressing throughout the world, and because of my knowledge that Government control of the railroads during the war and for over a year following its conclusion saved the country from chaos that I wish the immediate adoption by the Senate of my bill, S. 3808, "To provide for the creation of a corporation to be known as United States Railway Service; to provide for the possession, control, operation, and ownership of certain property of carriers by the United States Railway Service; and for other purposes."

And I recall my support of the proposition that the Government and the Government only could handle the rail crisis during the World War. My service in the Sixty-fifth War Congress recalls the McAdoo bill and rail collapse and subsequent entry of the Government into the field of operation.

I ask unanimous consent to have the bill printed at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. MILTON in the chair). Without objection, the bill may be printed in the RECORD.

(The bill S. 3808 appears at the conclusion of Mr. LUNDEEN'S remarks as "Exhibit A.")

RAILS NOW IN COLLAPSE

Mr. LUNDEEN. What Senators can contemplate the present condition of the railroads and assert that should we become engaged in war within the next year or so that the railroads are prepared to function? They have completely broken down, under conditions of peace, and allowed their rolling stock and general equipment, as well as roadbeds, to deteriorate.

Mr. Eliot Janeway, in testimony before the Interstate Commerce Commission said, with relation to the application

of the railroads for a 15 percent increase in freight rates and increase in passenger rates:

As a matter of fact, the railroads have had ample opportunity during the current recovery movement to use their restored earning power as the basis for sharply increasing their capital expenditures and equipment retirements.

I suspect that too much money went into management instead of into equipment.

RAILROADS COMPARED WITH STEEL COMPANIES

Their record may be contrasted with that of the steel industry, and as recently as 1934, while fully 9 of 13 leading steel companies were operating at deficits, only 6 of 12 leading rail systems failed to report earnings, and by 1936 none of these 12 rail systems showed deficits.

In spite of this relatively quicker start in recovering from the depression, the railroads have failed to increase their capital and maintenance expenditures sufficiently to renovate their plants, whereas the steel industry, well in advance of sensational increases in earnings, has developed the radically new and efficient continuous mill, which has already resulted in materially reducing the points at which all steel mills using them can earn profits. The rising recovery movement during 1935 and 1936, when only 80.4 and 72.1 percent, respectively, of the increase in gross was absorbed by higher costs (as contrasted to the 106.1 percent of absorption in 1934), permitted the railroads to translate increasing portions of their rising gross revenues to net without facing squarely the problem of obsolescence and uneconomic costs.

This testimony of an expert financial writer shows that the railroads have willfully been permitting their entire plant to deteriorate in order that they might pay high dividends to their stockholders and continue the rate of interest on an exorbitant structure of debt.

SENATOR WHEELER AND THE RAILROADS

As the Senator from Montana [Mr. WHEELER] has recently stated:

It is imperative that overcapitalized corporations should be put through the wringer.

And if there is one enterprise in the United States to which this criticism of the able Chairman of the Interstate Commerce Commission applies, it is the railroads of the United States.

FARMER-LABOR PARTY OF MINNESOTA

I recognize that certain of the most eager proponents of the expenditure of the billions of dollars additional for dreadnaughts and cruisers and other agencies of aggressive warfare will charge that I am seeking to make propaganda for nationalization out of the interest in national defense. I quote from the platform of the Minnesota Farmer-Labor Party for 1936:

Natural resources and monopolized industries essential to our national lives and well-being must ultimately be collectively owned and democratically controlled and operated, to the end that democracy shall prevail in our industrial life as well as in our political life.

I wish to say here that we are not proposing any overnight change; we realize that such changes must be brought about gradually.

WINNING THE WAR AGAINST POVERTY

It is not solely because of my conviction of the necessity for this that I am urging the immediate creation by Congress of the United States railway service corporation. It is because efficient public ownership, let me repeat, as I stated at the outset, is as essential to winning the war against poverty—and I imagine that is an important war to win—as it is to protecting the country from invasion or preparing it to regulate the conduct of nations throughout the world.

Let me call the attention of Senators to the close connection between the railroad situation and the present unparalleled campaign for a huge expansion of the Nation's Navy on the heels of the $4,000,000,000 naval authorization bill of 1938.

CORPORATE CONTROL

Control of Pennsylvania anthracite-carrying railroads and the anthracite industry are both in the hands of J. P. Morgan & Co. and the Baker interests, which latter includes the First National Bank of New York and the New York Central Railroad, controlled jointly with Morgan, as revealed in a recent report by the Pennsylvania Anthracite Coal Industry Commission. Among the railroads which the Morgan interests control with other interests are the Lehigh Valley Railroad, Pennsylvania Railroad, Central Railway of New Jersey, New York, Ontario & Western Railway, and the Lehigh & New England. The Delaware, Lackawanna & Western and the Delaware & Hudson are controlled jointly by the Baker and Morgan interests. The dominant control of Morgan interests in United States Steel and Bethlehem Steel is a matter of record.

Following the World War a great effort was made to retain control of the railroads in the hands of the Federal Government as a step toward ultimate Government ownership. Let me submit the following, listed by Commissioner Joseph B. Eastman, as the major advantages of public ownership of railroads, which is incorporated in my bill:

1. Rental and ultimate acquisition of railroad properties by the Government would at once stabilize the railroad financial situation.

I do not see why we cannot bring about some stability in the railroad industry instead of using panaceas and remedies that will not avail.

2. Government credit would be available for the rehabilitation of property. 3. Opportunities, decreased operating expenses through unification and coordination would be at a maximum. 4. The complex situation created by Government regulation of privately owned companies would be simplified.

In the debate just a few moments ago it was stated that the Interstate Commerce Commission, as I understood, was 2 years behind in auditing railroads' accounts. I imagine it is well that they are 2 years behind, because otherwise we might learn of some figures that would be rather unpleasant.

5. Rates could be influenced by consideration of public policy to a greater extent than at present.

Is there any question that such changes are necessary to put America in a position of real preparedness? Does any Senator suggest that there is any alternative to this program?

TWO HORNS OF THE DILEMMA

Yes; there is an alternative, and that is the one expressed by the railway presidents themselves, that we must have either Government ownership of railroads or a privately owned national monopoly of railroads. We have these two horns of the dilemma and ultimately we will have to take one or the other.

What logic would be granted to a program of increasing armaments beyond any possibility of early requirement, while evading the immediate task of achieving an efficient rail transportation system, which is absolutely essential to operate effectively the huge war machines afloat which we are asked to authorize in the naval bill, the cost of which may run easily, as soon as the war profiteers get into their war stride, from two and one-quarter to two and one-half billion dollars or more? And that will be only a beginning, as I am informed on the best authority.

Let us consider for a moment the plea that this rearmament program will create employment. A big rearmament program does create employment in more ways than one. It employs men in constructing these engines and agencies of offense and devastation. There will be hospitals and graves, here and abroad, and we will have to care for the shell-shocked and limbless, and the widows and orphans. We have now some 60 veterans' hospitals that will bear me out in that statement.

A plea for rearmament as a plea for reemployment carries its own condemnation. It has no place in a Nation claiming to be civilized. Conceding, however, for the time being, the sincerity of those asserting that America, having lost its war against poverty at home—that is, up to the present time—we are not going to lose the war against poverty, but we certainly have not made great headway up to this point—should undertake to enforce its moral concepts upon the rest of the world, particularly upon nations which are our rivals.

IF PREPAREDNESS, THEN ALL-AROUND PREPAREDNESS

What is the purpose of the advocates of the naval-expansion bill? What has been gained? Will they answer without equivocation the question, "If you advocate preparedness

why don't you make it all-around preparedness?" We have had many dissertations, great eloquence and few facts about conscripting the industry of the Nation in case of war. This program is sometimes called "the war mobilization plan." Certainly no Member of this Chamber will claim that such a mobilization plan can be put into effect immediately upon the outbreak of war. Certainly no informed Member of the Senate will deny that if it is our intention to mobilize the industry of the Nation for effective prosecution of a war, it is the part of wisdom to have a training period for such mobilization before hostilities actually begin; and there is no time like the present.

EVENTUALLY—WHY NOT NOW

I presume that many who would oppose my bill to obtain public ownership of railroads now would be the first to demand it in the event of the outbreak of hostilities in which we might be involved. Would they also advocate a rental which the late Senator Cummins described in the case of the last war as "shocking the moral sensibilities of mankind?" If war is not sufficiently imminent to justify the nationalization of railroads as a measure of national defense, then I charge that the international forces of greed and plunder are guilty of at least moral treason, for they hold that war is imminent—"just around the corner."

ACT NOW—THERE IS NO TIME LIKE THE PRESENT

The railroads, because of their precarious financial situation, could now be acquired by the Government at something like a fair price. Anxious Americans would have a big bargain, contrary to the usual acquisition of private property, in acquiring the roads at present. Opposition to their immediate acquisition savors of a desire to mulct the Treasury of the United States for the benefit of the stockholders and bondholders in the looted and wrecked railroads of the Nation; and yet this may not save the railroads. Loans by the Government may not save them, because the forces of greed and plunder will continue to loot them until the wreckage is complete.

I hope the proponents of the naval-expansion bill will include as part of their bill the nationalization of the railroads. Those of us who know that war is the paradise of profiteers will be happy in the thought that the people of the United States finally are in possession of the very arteries of commerce. In default of such action, the proponents of the naval-expansion bill will find themselves in a very difficult position before the voters of the country.

Mr. President, I shall submit my bill, Senate bill 3808, "To provide for the creation of a corporation to be known as the United States Railway Service," as an amendment to the naval-expansion bill, and request that a suitable time be allotted for the discussion of this amendment when the naval-expansion bill returns from conference, and I am glad to know the bill will be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, that order will be made.

(See Exhibit A.)

Mr. LUNDEEN. The Interstate Commerce Commission has recently refused to grant in full the application of the railroads for increase in freight rates and passenger rates. Some of the reasons presented to them by opponents of this increase are worthy of consideration by Congress, and I, therefore, cite some of them:

1. When the railroads were returned under the Cummins-Esch Act of 1920 they were given the last opportunity to which they are entitled to practice efficiency instead of extravagance and incompetence, even though aided in the latter practices by loans from the Reconstruction Finance Corporation. Railroad magnates who urged the return asserted they would restore efficiency.

The act provided for consolidation of the railroads into a few large systems, but although nearly 19 years have elapsed since its enactment the railroads have flouted the will of Congress; and railroad presidents, railroad bankers, railroad lawyers, and railroad stockholders are not punished as a result—not even those responsible for violation of the legal requirement that they record financial transactions with the Interstate Commerce Commission.

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

Mr. LUNDEEN. Certainly.

Mr. McCARRAN. I do not know that what I have to say is apropos to the heart of the speech the Senator is now delivering. I am wondering, however, if the Senator, in considering this subject, has taken into consideration the movement which is on foot on the part of the railroads of the country to reduce the earnings of the railroad employees of the country some 15 percent, or thereabouts.

If the Senator has considered that subject, I am wondering if he has considered how such a reduction will affect the financial and industrial life of the country. In view of the fact that the railroads are today applying for governmental aid and encouragement of every kind, it seems to me that no sympathetic accord should be offered to lines which propose to tear down the wage structure of the rail employees of the Nation.

I hope the Senator in his discourse will deal with that subject.

Mr. LUNDEEN. I will say to the able Senator from Nevada that early in my remarks I mentioned the proposed reduction of 15 percent of the wages of railway employees, and that those who have written the labor program of Minnesota are opposed to such a reduction. I say that the distinguished Senator is absolutely right when he says it will vitally affect America; that a reduction in the purchasing power of these men will destroy business, and will hamper any possible return of prosperity, because such a reduction will place less money in their hands. I will say further to the Senator that I am opposed to reducing their salaries while railway presidents are drawing $100,000 a year. When they get loans from the Government they immediately call together their board of directors and say, "Well, we got this big loan, so we will increase our salaries"; and I have here some astonishing salary lists that I wish to call to the attention of the Senate and of the country.

I think the Senator has touched upon a most important and most vital point. We must protect the railroad employees of the United States, and see that they get not only a living wage but a sustaining wage which will sustain their families and keep their children in school, and leave America in the position in which our fathers turned the country over to us, with dreams of still further advancement.

Mr. McCARRAN. Mr. President, will the Senator yield just a little further?

Mr. LUNDEEN. Certainly.

Mr. McCARRAN. When I bring that subject to the attention of the Senator, I have in mind the fact that any great movement on the part of any substantial employing agency that would start a reduction of the earnings of the wage earners of the country would be an impetus toward a further reduction, because if one great employing agency starts to reduce the income of the working class, and therefore starts to destroy the wage structure of the country, it will be but a signal light for those who will be inclined to follow suit, and will eventually destroy the standards of American wage earners.

I bring that matter to the attention of the Senator because at an earlier session we had under consideration what was known as the prevailing-wage amendment, and I happened to have the leadership in that movement, so that the Government, as the greatest employer of labor, would not be the initial agency to tear down the wage structure of the country. It was not a question of whether P. W. A. would reduce wages but whether other great agencies, seeing the reduction of wages started by the Government, would eventually say, "Well, the Government has done this; therefore, we must follow suit."

The Senator is dealing with a great employing agency of this country—one of the greatest employing agencies—an agency which extends from the Atlantic to the Pacific and from the Mexican border to the Canadian line. If that great employing agency may come forward and say to the Government and say to the Congress and say to the people of the country, "We will reduce wages 15 percent," and if the Congress of the United States will stand by and say, "We will blink an eye while you reduce wages 15 percent," what is to

prevent other great employing agencies from saying, "We will do likewise"? If that is done, there will come tumbling down the great wage structure of the United States, which constitutes the backbone of American life. When we start to go down, we shall go down fast, and we shall go down furiously.

Mr. LUNDEEN. I thank the Senator for his able statement. I wish to state further that the country is well acquainted with the Senator's able defense of the Federal employees of Ameica and the veterans of America and his interest in their having just compensation. I thing it is the correct policy that we maintain a standard which will be not only a living wage but a sustaining wage, which will keep the American standard of living such as we had dreamed it would be.

Within 2 years after the British Parliament prescribed consolidation of British railroads they were consolidated.

About the only consolidation in which American railroads indulged was in setting up allied holding companies to evade the Sherman and Clayton antitrust laws and to make more difficult the consolidation required by law.

2. Granting the application of the railroads would have tended to validate their fictitious capitalization and make it easier for them, in the probable event of public ownership, to extract an excessive price from the Government.

That is a point we will have to watch, about the fictitious capitalization being paid for in the event of Government ownership.

3. Railroads have been given about 150,000,000 acres of land, including much valuable timberland and mineral resources, many valuable sites in cities, and rights-of-way, and about three-quarters of a billion dollars cash subsidy. They have capitalized these as a basis for mulcting the public. Their frenzied financing and manipulation of holding companies are extra-legal, if not illegal, as shown recently by the Senator from Montana [Mr. WHEELER] in his railroad investigations.

4. The proposed freight and passenger increases, if pyramided as usual, would have cost consumers probably about three-quarters of a billion dollars, and several million American consumers are now below the subsistence line.

5. Approximately three-fifths of the railroads' securities is bonded debt, much of it incurred to acquire equipment now obsolescent, which should have been acquired out of earnings. In 1932 interest on funded debts was about $591,000,000, in 1933 it was $590,000,000, and in 1934 it was $570,000,000. The railroads should reduce their debt structure and debt service before they increase rates.

6. It is doubtful whether the proposed increases would have made the roads solvent.

7. The break-down of efforts during the past few years, to save overcapitalization and the results of speculation is so marked and dangerous that the Commission rendered a splendid service in initiating consideration of consumers instead of protecting mismanagement and mismanaged investments.

8. The fact that railroads were early judicially recognized to be affected with a public interest justifies recognition that what people can afford to pay must determine rates.

9. The effort to maintain fictitious charges on production as returns on watered capitalization, on impossible debt structure, and speculative selling prices of land, is in large measure responsible for the break-down of the New Deal, because it was Government underwriting of a spoiled system.

Railroads are a vital factor in our national life, and were one of the earliest forms of enterprise to be subjected legally to National Government regulation. The present plight of the railroads, due largely to their financial racketeering, much of it during the period of alleged Government control, proves the necessity for a reversal of the policies of that control. Granting the request of the railroads would be a further concession to the railroads. It would prove administrative surrender.

The Interstate Commerce Commission should have denied the application of the railroads in toto until they purged themselves of the results of their financial methods, in which case increased rates would probably not be necessary.

Recently the Interstate Commerce Commission suggested one railway system. The logic of this is apparent. That by the way is along the line of some of the statements of railway presidents. The brief which the President sent to the chairman of the Committee on Interstate and Foreign Commerce stated:

Unification is mainly desirable because "railroad facilities of this country for the most part are a product of haphazard and hasty construction for exploitation and profit and with little regard for the public welfare or economic justification."

I think that statement by the President is a correct one. The brief continued:

Recently published figures showed that losses of $233,966,000 had been sustained by five systems alone in the purchase of "securities of other roads in anticipation of rises."

I do not know how they did that unless they got into the stock market.

The brief named these systems as the Pennsylvania, Chesapeake & Ohio, Southern Pacific, Baltimore & Ohio, and St. Louis & San Francisco.

Many large and important railroad systems such as the Baltimore & Ohio, Southern Railway, and Illinois Central are facing receivership or trusteeship because of the burden of excessive accumulations of junior bonds, the interest upon which, in addition to that of prior liens, must be currently paid as the price of corporate existence.

I would not take the time of the Senate in speaking upon this question if I did not consider that the railway problem is one of the greatest questions before the American public today, and the sooner we turn our attention to it the better. Certainly there must be a solution. I am not pessimistic. The American people have solved every problem we have ever faced in our history, and we are going to solve the problems facing us now. We must remember, however, that if we have not the solution others will be called upon to come here in our stead.

Almost simultaneously the President transmitted to Congress a message on the railroad problem, making the substance thereof the report of the three-man committee of the Interstate Commerce Commission on the crisis in railroading. The following are essential points of this recommendation with which Members of the Senate may be familiar, but which should be considered at this time. The most sanguine defender of these recommendations admits that all they will do will be to postpone the collapse of the railroads.

I trust that I may not be regarded as captious when I suggest to my fellow Senators that postponing the collapse of the railroads, which are as vital a factor in defending the country as anything, is not consistent with spending countless billions for an aggressive navy which—lest we forget—will enrich manufacturers of steel and of munitions of war.

The Interstate Commerce Commission committee also recommmended:

That $300,000,000 be made available from Government funds for the purchase of railroad equipment, the equipment to be the security for advances.

That the R. F. C. be empowered for 12 months to make railway loans without certification by the Interstate Commerce Commission that the railroad can meet its fixed charges.

That other forms of Government credit be considered.

That the Government traffic pay the full rate by eliminating land-grant reductions.

Against this makeshift proposal of the somewhat discredited rail system I want to quote the late George Foster Peabody, known for many years as an intelligent banker and thorough student of the entire railroad problem, as well as a basic Democrat. In an article in the New York Times January 8, 1933, on A Permanent Solution of the Railroad Problem, Mr. Peabody said:

My interest led me to observe with care and some detail the conditions before, during, and after the taking over of the railroads. I know my judgment is not in accord with the general impression and even strong conviction of bankers and railroad officials, but I am nonetheless positive that the improved conditions of the railroads following 1920 were largely due to the greater efficiency possible under unified control of all the railroads.

It seems to me beyond question that any scientific solution of the present complications must be based upon the fundamental rights of eminent domain. The mystifying details or numberless valuations of private interests will never be simplified by longer continuance of the effort to manage one of the great necessities of modern life by public commissions on the one hand and railroad executives on the other.

Mr. Peabody concluded his article, which was reprinted and widely circulated, as follows:

I venture to affirm, as an emphasis of my thought from long living with and study of this problem, that transportation is not a business in any fair interpretation of the term. It is a matter for

careful, scientific planning from every point of view, including, as not the least important, the matter of equity as between sections and varied interests.

The Brotherhood of Railway Trainmen, in a release dated April 9, 1938, calls attention in plain English to revelations made at hearings conducted by the Senate committee headed by the Senator from Montana [Mr. WHEELER] investigating railroad financial operations. It states:

It was uncovered that in the 16 years between 1920 and 1936 the Association of American Railroads and other rail associations spent almost $187,000,000 for lobbying purposes, much of which was spent, no doubt, to defeat legislation sponsored by the railroad brotherhoods. But even more significant was the discovery that the railroads were financing a spokesman in the person of Milton W. Harrison, of the so-called Investors' Association. Behind this smoke screen the railroads "dished out their propaganda," as Senator WHEELER put it.

These are not my figures; these are the figures from the railway trainmen. I have named no person. The name given here is that given by the railway trainmen.

Dr. Lewis S. Sorrell, of the University of Chicago, in a recent book called "Government Ownership and Operation of Railways for the United States," which opposes Government ownership of the roads, declares:

Seven years of depression have left the carriers in such a financial condition that the issue of private or Government ownership remains an imminent one.

This book, which is more propaganda against Government ownership of the railroads, is sponsored by the Transportation Conference, a propaganda organization formed by the Railway Business Association, composed of manufacturers of supplies and equipment.

Mr. Sorrell's analysis is inaccurate, for it is not the 7 years of depression alone, or chiefly, which are responsible for the financial and moral bankruptcy of the railroads. It is the fact that since their inception they have been the sport of exploiting interests and high finance. Yes, indeed; too high for the welfare of the American people. We are indebted to the Interstate Commerce Commission for their report opposing the turning over of the United States Treasury to subsidize the exploiters of the railroads and its statement that the small increase in rates it conceded to the railroads was ad interim relief and not a solution, which puts solution of the railroad problem frankly up to the Congress of the United States.

The Senate cannot escape its responsibility. It has a duty to consider this, the railroad problem, as part of the issue of national defense.

Labor itself must recognize its peril under the present set-up of the railroads. Hon. Joseph B. Eastman, Interstate Commerce Commissioner, in an address November 12, 1936, said:

The best hope that employees can have for a transportation system that will continually employ more men, lies in one which will, through better service and lower costs and prices, continually build up the volume of business. It does not lie in artificial means of making more work which will add to costs, stand in the way of better service and lower prices, and stifle traffic. Make-work schemes will in the end be suicidal.

Labor and the consuming public do not need to make a suicide pact—they had much better join to stop the murderous financial practices of the railroads.

President A. F. Whitney, of the Brotherhood of Railroad Trainmen, when asked the position of the railroad workers' organizations, replied:

I cannot speak for the railroad brotherhoods, but so far as our own organization (Brotherhood of Railroad Trainmen) is concerned, we shall not oppose the railroads' requests for rate increases. It is our job to protect the wage rates of the workers we represent and in the defense of our wage rates, we insist that the ability to pay should not be made a basis for the reckoning of just wages. We cannot, therefore, consistently oppose the carriers' efforts to take such measures as they consider necessary in order to meet their obligations. I am fully aware of the financial racketeering that has taken place in the railroad industry in the past and I am also entirely sympathetic with all efforts to protect the consumers' interests. However, I believe you will understand our position with respect to the carriers' requests for increased rates.

Other railroad workers take the same position.

The Secretary of Agriculture last summer stated that between one million and two million farm families are in as bad condition as any peasants he had seen in western Europe. Did not the President of the United States make the same statement to a joint session of Congress in January 1938?

Mr. Carl C. Taylor, in charge of Division of Farm Population and Rural Life, Bureau of Agricultural Economics, in January gave the following data on bankrupt farmers and cost of caring for them:

Relief rates to farm families when such relief was given as grants, averaged from $8 to $30 per month. If we were to assume that all unemployed farm families were to be placed on straight relief at $20 per month and were to use the 900,000 recorded above, that would take $18,000,000 per month or $216,000,000 per year.

If these people were to be placed on cooperative farms, or otherwise financed for farm operation, I suppose that $500 per year per family (not assuming that land would be purchased for them or if land were purchased that it would be held in the name of the Government) would be the minimum required. In that case it would take $450,000,000 per year. Of course, this would not have to be a continual outflow of money, since presumably these people would become self-sustaining and would be able to pay back the original loan.

This is in addition to the $500,000,000 and up, the cost of alleged soil conservation for the benefit of speculators in farm lands, miners of farm soil, and their creditors.

Higher freight rates on what farmers buy as well as what they sell, will hit the one-third of marginal farmers very hard, but private ownership of the railroads will mean higher rates.

At least 6,000,000 employable persons, many of them with dependent families, are unemployed. The proposed increase in freight rates will injuriously affect them.

Consider a comparison of the attitude, as measured in dollars and cents, of the Federal Government toward education and toward the gentlemen who fear for their country's safety. Here we see reduced profits of corporations in which they are interested and which pay them inflated supersalaries. This carries a lesson.

The President's advisory committee on education, in its recent report, showed that approximately 900,000 children in the United States have absolutely no schooling. In its report the committee says:

The Nation's future depends on the quality of the American people. Educational opportunities approaching adequacy are now to be found only in limited areas where circumstances are unusually favorable. Education can be made a force to equalize the conditions of men. It is no less true that it may be a force to create class, race, and sectional distinctions.

The schools of the United States, which have been regarded as the bulwark of democracy, may in fact become an instrument for creating those very inequalities they were designed to prevent. If the inability of the depressed economic areas and groups, to provide proper education for their children, is not corrected by aid from areas and groups more prosperous, the effect on American civilization and on representative political institutions may be disastrous.

The traditional public concern for education * * * is now of more importance than at any previous time in the history of the country. The necessities of the people require the Federal Government to assume increasing responsibilities for the education and welfare of children, youth, and adults.

WHAT FEDERAL HELP DID THE COMMITTEE SUGGEST?

For Federal aid to primary and secondary schools, it suggested only $40,000,000 starting next year, 1939 to 1940, increasing to $140,000,000 at the end of 6 years, during 1944 to 1945.

Appropriations are proposed for improved teacher preparation, construction of school buildings, grants to States for adult education, for local library service, and for grants for cooperative educational research planning, and so forth.

Note the totals, however.

In all, the specified grants will total $72,000,000 during the years 1939 to 1940, and $202,000,000 during 1944 to 1945, 6 full years from now. Ignorance and lack of education are obvious and serious dangers in our country. The big Navy sought is a confession of the failure of this administration's war against poverty. A nation whose people are employed and contented does not seek to wage aggressive wars abroad.

BIG NAVY CONFESSION OF FAILURE OF WAR AGAINST POVERTY

Business Week, April 9, 1938, says editorially:

There is a resolute drive in the United States to get us into war.

These are not my words. These words appear in Business Week of April 9, 1938.

Those who lived as adults through the machinations before America was put into the World War after a campaign with the slogan "He kept us out of war," and the clearly implied pledge to continue that policy, know the methods. Then, as now, our economic conditions were bad. Then, as now, huge profits in the offing, were discounted to pay for the propaganda for war. We remember what happened to the Democratic Party after that futile betrayal of faith with the American people.

Compare the fact that many farm families received a cash income of less than $200 a year with the following list of railroad salaries paid railroad officials in 1936 as reported by the Interstate Commerce Commission and Securities and Exchange Commission.

Mr. President, the list is quite a long one. The salaries vary from $100,000 a year to $30,000 a year, while our farm families are receiving an average of less than $200 a year. I do not wish to tire the Senate by reading this long list, and I ask that it be printed in the RECORD at this point as part of my remarks.

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

Atchison, Topeka & Santa Fe:	
S. T. Bledsoe, president	$61,000
E. J. Engel, vice president	37,600
W. K. Etter, vice president	30,000
E. E. McInnis, general counsel	36,000
Baltimore & Ohio:	
Daniel Willard, president	60,000
G. M. Shriver, vice president	45,833
H. B. Vorhees, vice president	41,333
C. W. Galloway, vice president	43,000
J. J. Cornwell, general counsel	33,067
Chesapeake & Ohio:	
W. H. Harahan, president	61,243
G. D. Brooke, vice president	42,000
H. Fitzpatrick, vice president	40,937
F. M. Whitaker, vice president	36,233
R. S. Marshall, vice president	31,833
L. C. Probert	30,233
Chicago, Burlington & Quincy: Ralph Budd, president (Also $10,000 from the Colorado & Southern, a subsidiary).	50,000
Chicago, Milwaukee, St. Paul & Pacific: H. A. Scandrett, trustee	36,000
Chicago & North Western: Fred W. Sargent, president	50,000
Chicago, Rock Island & Pacific:	
E. M. Durham, Jr., president	50,000
James E. Gorman, trustee	36,000
Delaware & Hudson:	
L. F. Loree, president	50,000
J. T. Loree, vice president	31,500
Erie: C. E. Denney, president	53,750
Great Northern:	
W. P. Kenney, president	60,000
C. O. Jenks, vice president	40,000
Illinois Central:	
L. A. Downs, president	60,580
J. L. Beven, vice president	31,690
Kansas City Southern: L. F. Loree, president	45,000
Lehigh Valley:	
E. E. Loomis, president	54,000
C. E. Hildum, vice president	30,600
Missouri, Kansas & Texas: Matthew S. Sloan, president	60,000
Missouri Pacific:	
L. W. Baldwin, president	48,000
G. A. Thompson, trustee	30,000
R. L. Dearmont, counsel	81,000
Norfolk & Western:	
W. J. Jenks, president	60,000
J. E. Crawford, general manager	30,000
Pennsylvania Railroad:	
J. L. Eysmans, vice president	50,000
J. R. Downs, assistant to president	35,000
J. F. Deasy, vice president	55,000
F. W. Hankins, assistant to vice president	35,000
W. S. Franklin, vice president	55,000
A. J. County, vice president	50,000
C. D. Young, vice president	40,000
T. W. Hulme, vice president	40,000
H. W. Bilke, general counsel	40,000
G. LeBoutelier, vice president	35,000
E. W. Smith, vice president	35,000
H. E. Newcomet, vice president	35,000
Southern Pacific:	
Hale Holden, chairman	$60,000
Paul Shoup, vice chairman	50,000
A. D. McDonald, president	50,000
Ben C. Dey, general counsel	37,500
J. H. Dyer, vice president	34,500
Southern Railway:	
Fairfax Harrison, president	50,000
E. E. Norris, vice president	30,000
Union Pacific:	
C. R. Gary, president	60,730
F. W. Charske, chairman, executive committee	63,700
W. M. Jeffers, vice president	50,000
H. W. Clark, vice president	42,000
F. W. Robinson, vice president	30,000

Mr. LUNDEEN. The New York Times for April 29, 1938, has a caption, "Highest rail pay for P. R. R. president. Clement got raise last year to $100,000 against late W. W. Atterbury's $60,000." The article states:

M. W. Clement was the highest paid railroad president in the country in 1937, according to figures the Pennsylvania Railroad reported yesterday to the Securities and Exchange Commission. His salary last year was raised to $100,000 against $60,000 paid his predecessor, the late W. W. Atterbury.

The Pennsylvania placed a maximum of $60,000 on its salary list a few years ago in response to an edict by the Interstate Commerce Commission when the railroads were heavy borrowers from the Reconstruction Finance Corporation. Since then, however, the Pennsylvania has liquidated its debt to the R. F. C.

The only railroad official whose salary exceeded that of Mr. Clement in recent years was L. F. Loree, who just lately resigned as president of the Delaware & Hudson Co. As head of the Delaware & Hudson and chairman of the Kansas City Southern Railway, Mr. Loree received until recently well over $100,000.

LABOR

The newspaper Labor, owned by the 15 recognized standard railroad labor organizations, and their official Washington weekly newspaper, has as its lead editorial for the issue Tuesday, May 3, 1938, "Some facts about rail profits." The article states:

Record shows carriers haven't a leg to stand on when they demand further cut in workers' slender earnings.

Organized railroad workers have whole-heartedly supported every move calculated to restore the financial stability of the railroads. Largely due to the attitude of the employees, the Government is treating the carriers more generously than any other industry. In the circumstances, one would expect the railroads to show some appreciation.

Instead of gratitude, railroad managements renew their demand for a horizontal wage cut. To justify this raid on the workers' pay envelope the railroads are spreading a mass of misleading propaganda. For example, they seek to create the impression that the railroad industry is operating "at a loss." That claim is utterly fantastic.

During every year of the depression the railroads have rolled up big profits, but by various bookkeeping tricks they succeeded in keeping the facts from the public.

One of these tricks is to refuse to count as "profit" the interest they pay on their bonds, and yet the bonds represent practically all the money actually invested in the railroads.

As a rule, figures are pretty dull; but in this case figures tell a most interesting and informative story.

During the 8 years of the depression, from 1930 to 1937, the railroads of this country pocketed profits totaling $4,762,000,000, or an average of about $594,000,000 a year. Their worst year was 1932, but even then they cleared more than $360,000,000. Their best year was 1930. Millions of hungry workers were tramping the highways and byways, but railroad profits totaled $1,023,000,000.

But the railroads say, "Whatever happens to the rest of the country we must have a generous return on our investment." Well, what is their investment? Today the market value of all railroad stocks and bonds is less than $10,000,000,000, but the railroads want returns on at least $20,000,000,000.

And, as a matter of fact, they have been getting a return of almost 3 percent on $20,000,000,000 right through the depression, and more than 6 percent on the market value of their stocks and bonds.

What's happened to railroad workers during that period? Between 600,000 and 800,000 have been completely separated from the pay roll. They have been forced to do odd jobs here and there; to depend on the charity of friends and relatives, or to go on relief.

Tens of thousands of those who have remained on the pay roll have been on part time, an army of them being compelled to support their families on less than $10 a week.

In addition, at the bottom of the depression, rail workers contributed hundreds of millions to the carriers in the form of wage deductions.

In the face of those facts, for the railroads to demand a wage cut is not only an example of gross ingratitude, but also an exhi-

bition of gall seldom equaled in the history of this country. Of course, they will not be permitted to get away with it.

Railroad workers will stand as one man in opposition to such an outrageous proposal. They will carry the facts to the court of public opinion, confident that when the American people know the truth they will stand by them.

Every member of organized labor, every farmer, and every Senator knows, however, that while we have private ownership of railroads the first to be called upon to make sacrifices are the men and women who have invested their lives in the service of the railroads. Such is the consistent record of the railroads. Let me insert at this point information as to the methods by which the bankers have mulcted the railroads, usually as we all know, with the active acquiescence of the railroads.

The Senate investigators of railroad financing showed a profit of $6,001,051 derived by Kuhn, Loeb & Co. in 1929 from the financing of the Pennroad Corporation. This was a holding company formed by the Pennsylvania Railroad to evade the Interstate Commerce Act by acquiring stock control of competing railroads, which the Pennsylvania itself was forbidden by law to control. Likewise, Kuhn, Loeb & Co. collected $1,047,782 commissions from both sides of the fence when two of its clients—the Wabash and the Delaware & Hudson—bought up big blocks of Lehigh Valley stock. In both cases, the law was violated, inasmuch as these purchases were not disclosed to the Interstate Commerce Commission. Furthermore, the hearings showed that the cost of this venture was an important factor in causing the present receivership of the Wabash. Subsequently, Kuhn, Loeb & Co. arranged for the sale of Lehigh Valley shares to the Pennsylvania, at a great loss to the latter.

The Senate committee recorded the reorganization of the Chicago, Milwaukee, St. Paul & Pacific, conducted by Kuhn, Loeb & Co. from 1925 to 1928. As the result of Kuhn, Loeb's ministrations, the St. Paul is again bankrupt. Nevertheless, the unsuccessful 1925-28 reorganization cost $6,954,859, of which $1,538,983 went to the reorganization managers, including $622,790 to Kuhn, Loeb, $415,193 to the National City Bank, and $500,000 to Cravath, de Gersdorff, Swaine & Wood, the reorganization lawyers.

What has happened to railroad employees? In the middle of February, according to the latest figures from the Interstate Commerce Commission, railroad employees numbered only 939,663. This was a reduction of 234,669 jobs or 20 percent from the 1937 high of 1,174,332 in mid-July. It was also the lowest figure since March 1933, when 919,881 men were employed, which, in turn, was the smallest monthly employment total during the course of the crisis and depression of 1929–33.

The Interstate Commerce Commission figures show that in December 1936 the average wage for the month of 202,273 maintenance of way and structures railroad employees was all of $93.72; that the average wage that month of 133,030 transportation workers, other than train, engine, and yard workers, was $128.46; and that in December 1936 the average monthly wage of 310,186 maintenance of equipment and stores workers on railroads was $136.89.

Strange as it may seem, final figures on the total pay roll of the roads for the whole year 1936 show that 1,065,953 employees earned $1,848,498,000, an increase over the previous year of 12.4 percent, compared with a gain of 34 percent in net operating income of the roads.

Is it any wonder that William Green, president of the American Federation of Labor, recently stated that Government ownership is the only way the railroads can be saved, the interests of the workers maintained, and service be kept up for the good of the country?

I believe that it is the sentiment of America that before we continue to pour out countless billions—we must not say "millions" nowadays; we must say "billions"—of money extracted from the inadequate wages of the factory, mine, railroad, trade and distribution workers, and the thoroughly inadequate income of farmers, the Congress should devote its attention to working out a better strategy against increasing poverty and deprivation in America. In the midst of all this we again are about to engage in world saving. Why should America, with its vast natural resources, which has so signally failed in the war against poverty at home, dictate the foreign policies of Germany, Italy, Japan, and the Soviet Union? Let us rather turn to our domestic problems. Let us remember our own people. A vote of the American people on whether we should build a navy to protect Britain's investments and the British Empire would probably be a revelation to Members of this body as to the practical unanimity of our people, as demonstrated by the recent filing of petitions by the Veterans of Foreign Wars which I had the honor to present on the floor of the Senate. We are invited to use Singapore. At least, our ships have been there, and they are no doubt welcome.

America's job is to provide a decent standard of living for Americans, rather than to scour the seven seas in an effort to get a share of foreign markets and to protect American exploiters abroad. This course may be an effort to get the American people's minds off the fact that with freedom of production our enterprise and our business ability will be fully utilized in raising the perilously low standard of existence of half of our people to a genuine American standard of living for all our people.

The sun never sets on the investments of American citizens abroad. Let them protect their own investments, if need be. The Government's duty is to protect the standard of living of its citizens at home and to insure them the security which large navies are designed to insure for the investments of American citizens abroad.

For such domestic security and tranquillity, no huge navies are needed. Such inciting navies are the surest means to postpone the provision of security at home, which is our first duty, and should be the first and continuous effort of just government to provide.

I wish to say that in recent years in Minnesota we have had the following slogan in our campaigns: "Security at home, neutrality abroad."

I thank the Senate.

EXHIBIT A

[S. 3808, 75th Cong., 3d sess.]

In the Senate of the United States, January 5 (calendar day, April 8), 1938, Mr. LUNDEEN introduced the following bill, which was read twice and referred to the Committee on Interstate Commerce

A bill to provide for the creation of a corporation to be known as United States Railway Service; to provide for the possession, control, operation, and ownership of certain property of carriers by the United States Railway Service; and for other purposes

Be it enacted, etc., That as used in this act, unless the context otherwise indicates—

(1) "Carrier" means a common carrier engaged within the continental United States in the transportation in interstate commerce of passengers or property wholly by railroad or partly by railroad and partly by other means; a railroad switching, or terminal corporation even though not engaged in such transportation, which owns property used or held for use in such transportation; but does not include a street, suburban, or interurban electric system which is not operated as a part of a general system of transportation or which does not derive more than 50 percent of its operating revenues from the transportation of freight in standard steam railroad freight equipment.

(2) "Commission" means the Interstate Commerce Commission.

(3) "Tribunal" means the Railway Acquisition Tribunal.

(4) "Board" means the board of trustees of the United States Railway Service.

(5) "Council" means the Railway Advisory Council.

(6) "Securities" means bonds, other evidences of indebtedness, stock certificates of beneficial interest therein, and certificates of beneficial interest in property.

(7) "Contingent securities" means income bonds and preferred stock issued by the United States Railway Service which provide for the payment of interest or dividends at specified rates contingent upon income.

(8) "Debentures" means obligations of the United States Railway Service or its subsidiaries, guaranteed as to principal and interest by the United States Government.

(9) "Total income" includes "net railway operating income" and "other income" as so designated in the monthly reports of the railroads to the Commission.

(10) "Person" includes individual, partnership, association, and corporation.

TITLE I—AGENCIES FOR ACQUISITION AND CONTROL

UNITED STATES RAILWAY SERVICE

SEC. 2. (a) For the purpose of taking over the operation, control, and ownership of certain property of the railroads in the continental United States in the interest of the establishment of an effective and coordinated system of railroad transportation, there is hereby created a body corporate by the name of United States Railway Service, which shall have the functions, powers, and duties hereinafter specified. The United States Railway Service shall be managed by a Board of Trustees to be composed of five members, acting in the capacity of directors, to be appointed by the President by and with the advice and consent of the Senate, except as hereinafter provided. The Board first appointed shall be deemed the incorporators, and the incorporation shall be held to have been effected upon the date of the first meeting of the Board. The principal office of the corporation shall be in the District of Columbia.

(b) The terms of office of the trustees first taking office after the enactment of this act shall expire as designated by the President at the time of nomination, one at the end of the second calendar year, one at the end of the fourth, one at the end of the sixth, one at the end of the eighth, and one at the end of the tenth such year after the date of the enactment of this act. Except as hereinafter provided, a successor to a trustee shall be appointed in the same manner as the original trustee and shall have a term of office expiring 10 years after the date of the expiration of the term for which his predecessor was appointed. If and when the contingent securities issued by the United States Railway Service aggregate at least one-fifth of the total securities issued by said corporation, the next trustee to be appointed shall be selected by the holders of such contingent securities as their representative, in such manner and under such conditions governing his tenure of office, duties, removal and similar matters as may be provided in the bylaws. Such representation shall continue so long as such contingent securities continue to bear such relationship to the total securities issued by the corporation.

(c) Any trustee appointed to fill a vacancy in the Board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(d) Vacancies in the Board shall not impair the powers of the Board to execute the functions of the United States Railway Service, and three of the trustees in office shall constitute a quorum for the transaction of the business of the Board.

(e) Each of the trustees shall receive a salary at the rate of $20,000 a year, to be paid by the corporation as current expenses. Trustees shall be reimbursed by the United States Railway Service for actual expenses (including traveling and subsistence expenses) incurred by them in the performance of the functions vested in the trustees by this act. No trustee shall, during his continuance in office, be engaged in any other business, but each member shall devote himself to the work of the United States Railway Service. The trustees shall be persons who have had wide experience and have shown capacity in transport, industrial, commercial, or financial matters, or in the conduct of public affairs, and shall be selected without regard to political affiliations.

(f) Each of the trustees shall take an oath to administer the property of the United States Railway Service with complete regard for the public interest, as efficiently and economically as possible, and without regard to any political party interests or considerations. The Board shall, so far as practicable, manage the property in such manner as to produce net earnings, after provision for all expenses of operation (including such reserves as the trustees deem necessary or desirable for depreciation or future contingencies), taxes and rentals, at least sufficient to meet the contingent obligations on income bonds and preferred stock, as well as the fixed obligations (including sinking-fund provisions, if any) on the debenture bonds, issued by the corporation as hereinafter provided. Any remaining earnings in any year may be used in the discretion of the Board for the acquisition of property, the payment of indebtedness, or the declaration of dividends on common stock.

(g) The Board shall direct the exercise of all the powers of the United States Railway Service.

SEC. 3. (a) The Board shall, without regard to the provisions of the civil-service laws applicable to officers and employees of the United States, appoint such officers, employees, and agents as are necessary for the transaction of the business of the United States Railway Service, fix their compensation, define their duties, and provide a system of organization to fix responsibility and promote efficiency. Any appointee of the Board may be removed in its discretion.

(b) In the appointment of trustees or officers and the selection of employees for the United States Railway Service, and in the dismissal of trustees or in the promotion, demotion, or dismissal of any such officers and employees, no political test or qualification shall be permitted or given consideration, but all such appointments, promotions, demotions, or dismissals shall be made on the basis of merit and efficiency. Any trustee who is found by the President of the United States to be guilty of a violation of this subsection shall be removed from office by the President of the United States, and any appointee of the trustees who is found by the trustees to be guilty of a violation of this subsection shall be removed from office by the trustees. It shall be unlawful for any officer or employee of the United States or of any political party organization to solicit or recommend the selection, appointment, or dismissal of any trustee or the selection, appointment, promotion, demotion, or dismissal of any officer or employee of the United States Railway Service.

SEC. 4. The United States Railway Service shall have common stock of $500,000,000 par value. The total amount of such common stock shall be subscribed for at par value by the Secretary of the Treasury, who is hereby authorized and directed to subscribe for such stock and make payment therefor as called. Such subscription shall be subject to call in whole or in part by the Board upon 30 days' notice to the Secretary of the Treasury; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000,000 for the purpose of making payment upon such subscriptions when called. The corporation shall issue to the Secretary of the Treasury receipts for payment for or on account of such stock, which shall serve as evidence of the stock ownership of the United States.

SEC. 5. (a) The United States Railway Service shall be an instrumentality of the United States, and as such shall have power—

(1) To adopt and use a corporate seal;

(2) To have succession until dissolved by Act of Congress;

(3) To make contracts;

(4) To sue and be sued, complain and defend, in any court of law or equity, State or Federal; and

(5) To adopt, amend, and repeal bylaws.

(b) The United States Railway Service shall have power in the name of the United States, and in accordance with the provisions of this Act, to exercise the right of eminent domain.

(c) The United States Railway Service shall have the power, by the exercise of the right of eminent domain or otherwise, to acquire property and facilities of any common or contract carrier of property or passengers for hire by any means of transportation, other than a carrier as herein defined, subject to the approval of the Commission first obtained after notice and a public hearing, including approval of the terms and conditions of the acquisition.

(d) The United States Railway Service shall have power to operate the property and facilities controlled or acquired by it under the provisions of this act in the manner and subject to the terms and conditions herein provided, and in the exercise of such functions shall conduct the business of a common carrier, and maintain, manage, and operate properties held for or used in the service of transportation, or necessary or incidental to such use.

(e) In addition to the powers specifically granted, the United States Railway Service shall have such powers as may be necessary or incidental to fulfilling the purposes of its creation.

(f) For the purposes of this act the Board shall have power, in its discretion, to issue and to fix the terms and conditions of debentures, income bonds, or preferred stock of the United States Railway Service, to provide for the acquisition of property or securities of existing railroads, for new construction or equipment or for additions and betterments, and for the acquisition of properties of other transportation agencies, and to provide for debt maturities if no other funds are available for such purpose. Such debentures shall be guaranteed as to principal and interest by the United States, and the United States Railway Service shall repay to the United States any sums which the latter is required to pay on such debentures under any such guaranties. Such repayment shall be a charge on the future earnings of the United States Railway Service and shall have priority over any payment of dividends or interest on contingent securities, the rate of repayment to be determined by the Board in its discretion.

(g) All debentures and contingent securities issued by the United States Railway Service shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by any Territory, dependency, or possession of the United States, or by any State, county, municipality, or local taxing authority. The property owned and/or used by the United States Railway Service, including its franchise, capital, reserves, surplus, and income, shall be exempt from all taxation now or hereafter imposed by any Territory, dependency, or possession of the United States, or by any State, county, municipality, or local taxing authority; except that any real or personal property of the United States Railway Service shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real or personal property is taxed.

CORPORATIONS SUBSIDIARY TO THE UNITED STATES RAILWAY SERVICE

SEC. 6. The Board shall have power to subdivide and organize the properties controlled or acquired by the United States Railway Service as it may deem necessary. To that end the Board is authorized to provide, as it deems necessary, for the creation of corporations subsidiary to United States Railway Service, and which shall have powers within the limitations of the powers conferred in this act upon the United States Railway Service. The incorporation of such subsidiaries shall be effected by filing with the Commission articles of incorporation consistent with the provisions of this act and obtaining from the Commission, after such hearings as the Commission deems necessary, an order of approval and certificate of incorporation. Such subsidiary corporations shall be managed by officers and agents to be appointed by the Board under such rules and regulations as it may prescribe.

RAILROAD ADVISORY COUNCIL

SEC. 7. There is hereby established a council to be known as the "Railroad Advisory Council" and to be composed of 24 members as follows:

(a) Seven groups of three members each, representing the following interests, respectively, to be appointed by the President from nominees whose nominations shall be made and offered by the respective interests in such manner as the Commission shall by regulation prescribe: (1) Agriculture, (2) labor, (3) manufacturing, (4) mining (including oil production), (5) retail trade, (6) financial and insurance institutions, and (7) the professions (including lawyers, doctors, educators, and engineers).

(b) One group of three members, representing the public, to be appointed directly by the President.

Any vacancy in the council shall be filled in the same manner as the original appointment. The council shall consider such questions of general policy as the Board submits to it. Members of the council shall be paid $25 per day, together with their expenses (including traveling and subsistence expenses), by the United States Railway Service, while they are engaged solely in the business of the council.

RAILROAD ACQUISITION TRIBUNAL

SEC. 8. (a) There is hereby created a special commission to be known as the "Railroad Acquisition Tribunal," and to be composed of three members, who shall be appointed by the President, by and with the advice and consent of the Senate. The term of office of each member of the tribunal shall be 5 years, and each member shall receive a salary at the rate of $15,000 per annum. The Tribunal shall have the powers vested in it by this act. The division of the Interstate Commerce Commission to which financial matters are assigned shall approve an annual budget of the expenses of the Tribunal which, when approved, shall be borne by the United States Railway Service as a capital charge.

(b) The Tribunal is authorized to appoint such attorneys, examiners, analysts, and other assistants as may be necessary to carry out its functions under this act. In the exercise of its functions under this act, the Tribunal, or any officer designated by it, is hereby 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 Tribunal 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 Tribunal 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. Such court may issue an order requiring such person to appear before the Tribunal or member or officer designated by the Tribunal, 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 Tribunal, 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 Tribunal, or in obedience to the subpena of the Tribunal or any member thereof, or any officer designated by it, or in any cause or proceeding instituted by the Tribunal 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.

TITLE II—CONTROL AND ACQUISITION OF RAILROAD PROPERTIES

GENERAL AUTHORIZATION

SEC. 201. The United States Railway Service, in accordance with the provisions hereof, is hereby authorized to, and shall, acquire the possession, use, control, and ownership of property owned and/or used by every operating carrier the annual gross income of which for the calendar year 1935 was in excess of $1,000,000 (herein referred to as a class I carrier), and by every switching and terminal carrier, and is authorized to, and in the discretion of the Board may, acquire the possession, use, control, and ownership of property owned and/or used by any other carrier.

TEMPORARY CONTROL

SEC. 202. (a) On or before December 1, 1938, the United States Railway Service shall file with the tribunal notices of its purpose to acquire the possession, use, and control of property owned and/or used by every class I carrier, by every switching and terminal carrier, and by such other carriers as it may designate; and at any time after such date it may file such notices as to any additional carriers. Such notices shall designate in general terms the property owned and/or used by such carriers of which it is intended to acquire possession, use, and control, and such notices may be subsequently amended to include additional property. Copies thereof shall be served upon such carriers. The United States Railway Service, upon the filing and service of such a notice, or amendment thereof, in the manner prescribed, shall, after 30 days from the service of such notice or amendment, be entitled forthwith to the possession, use, and control of such designated property, and any person or corporation having the possession, use, or control of any such property shall forthwith surrender it to the United States Railway Service.

(b) Just compensation shall be paid by the United States Railway Service to any carrier entitled to compensation for the possession, use, and control of property taken by the United States Railway Service pursuant to the foregoing provisions, from the time of such taking of such possession, use, and control to the time when the title to said property shall vest, in accordance with the provisions of this act, in the United States Railway Service, such period being termed hereinafter the "period of temporary control."

(c) The United States Railway Service is authorized to make contracts under which:

(1) The carrier entitled to compensation for such possession, use, and control of property shall receive as an annual just compensation a rental consisting of a fixed rental and a contingent rental. The fixed rental shall be an amount equal, as nearly as may be, to the net railway operating income from said property, as reported in the annual report thereof of the carrier owning or operating such property, for the calendar year 1937, which said rental shall be payable, from time to time, in reasonable installments and pro rata on a daily basis for any fractional year; provided that adjustments may be made in said income where necessary for any difference between the amount of the property, the earnings of which are covered in such reports, and the property taken by the United States Railway Service, and for accruals of charges required by the Railroad Retirement Act. The contingent rental shall consist of a portion of the excess, if any, of the annual net railway operating income of the properties operated by the United States Railway Service for each calendar year of the period of temporary possession, over the net railway operating income of such properties for the calendar year 1937. The portion of this excess, if any, payable to any owner of property shall be the same percentage of said excess as the excess of the net railway operating income of such property for the calendar year 1930 over the income thereof of the calendar year 1937 is of the excess of the net railway operating income for all properties taken over by the United States Railway Service for the year 1930 over the income thereof for the calendar year 1937. The incomes used in making such apportionment shall be those reported in the annual reports to the Commission. The total fixed and contingent rental payable under these provisions for any property shall not exceed the net railway operating income from such property in the calendar year 1930. In the consideration of the said net railway operating income from such property for the calendar year 1930, adjustments may be made where necessary for any difference between the amount of the property, the earnings of which are covered in the reports thereof to the Commission, and the property taken by the United States Railway Service, and for inadequate or excessive charges for maintenance, depreciation, or to other accounts, as the results of which the income, as reported, is not accurately reflective of the true earnings of the property taken by the United States Railway Service. The contingent rental shall be payable within 45 days after the end of each calendar year or fractional year of the period of temporary control. The Government of the United States hereby guarantees the payment by the United States Railway Service of the fixed rental determined in accordance with the foregoing provisions.

(2) When the United States Railway Service takes over the possession, use, and control of equipment which is subject to equipment trusts under agreements providing for serial payments of principal, it shall assume the obligations thereof for the payments of principal and interest. During such period of temporary control, the United States Railway Service, and not the owning carrier, shall accrue depreciation on all equipment, the possession, use, and control of which is taken over by the United States Railway Service, and no payment for depreciation shall be due from the United States Railway Service to such owning carrier corporation for such equipment during such period. Where a carrier has paid in full its fixed charges at the latest dates due prior to January 1, 1938, and where its fixed rental as provided for in paragraph (a) is not sufficient to pay the total fixed charges in full at any time during the period of temporary control, the United States Railway Service shall make unsecured loans to such a carrier without interest for such additional amounts over the fixed rental as may be necessary to pay such fixed charges when due. Amounts so loaned shall be included in

the exchange of securities or other settlement for the acquisition of title to the property. The United States Railway Service, during the period of temporary control, shall pay the reasonable expense of the carrier corporate organization.

(3) Any taxes assessed under Federal or other governmental authority for a period subsequent to January 1, 1938, either on said property or on the right to operate as a carrier, or on the revenues of any part thereof derived from the operation of said property, shall be paid by the United States Railway Service, and all taxes assessed under Federal or any other governmental authority for a period prior to January 1, 1938, whenever levied or payable, shall be paid by the carrier.

(d) The United States Railway Service is authorized in such contract to make all other reasonable provisions, not inconsistent with the provisions of this act, that may be necessary or proper for the determination of the mutual rights or obligations of the parties to said contract arising from or out of such possession, use, and control.

(e) If such a contract is not made, the Tribunal, upon the filing of a petition either by the United States Railway Service or by any party in interest, shall proceed to a determination of the just compensation for such possession, use, and control. The basis of such compensation shall be the actual rental value for such possession, use, and control of the property, which value shall be determined by the Tribunal after consideration of all the relevant facts: *Provided, however,* That the dtermination of such value of any operating railroad property shall be in accordance with the provisions of section 203 hereof: *And provided further,* That such proceedings shall be governed by the provisions of section 203 relating to the use of the power of eminent domain, so far as applicable. Pending the determination of such compensation and until the payment thereof, the United States Railway Service shall pay the carrier entitled to compensation for such possession, use, and control of the property taken, in reasonable installments, a fixed rental calculated in accordance with the provisions of paragraph (c) (1), and the reasonable expense of the necessary corporate organization of such owner if a corporation. The payment of taxes shall be governed by the provisions of paragraph (c) (3) hereof.

ACQUISITION BY EMINENT DOMAIN

SEC. 203. The United States Railway Service may acquire any right, title, or interest in any property, including franchises and securities, by the use of eminent domain in accordance with the following provisions:

(1) The United States Railway Service may file a petition with the Tribunal for the approval of a plan of acquisition by the use of eminent domain, to be carried out under the authority of this act, which shall specify the property or the right, title, or interest therein to be acquired; the owner or owners thereof; the amount of the just compensation to be paid therefor; the medium in which payable and, if in the securities of the United States Railway Service, the terms and conditions of the said securities; and such other details not inconsistent with this section as may be necessary or appropriate or as the Tribunal may require.

(2) The actual present value shall be the basis of the determination of the just compensation to be paid for any property condemned in such proceeding. For any operating railroad property, such value shall be determined on a basis which shall give due consideration to the present and prospective earnings and earning power of the property, together with such other circumstances as may be relevant; but in determining such value only such effect shall be given to the original or reproduction cost new or less depreciation of the property, or to the investment therein, as may be required under the law of the land, in view of the existing and prospective competitive conditions and functional depreciation and the effect thereof upon the actual present value of the property; and in any such proceedings no evidence of such original or reproduction cost new or less depreciation of the property, or of the investment therein, shall be received unless it shall be first established that, in view of the existing and prospective competitive conditions and functional depreciation, and the effect thereof upon the property, such sums as are evidenced by such original or reproduction new or less depreciation cost of, or the investment in, the property could now or in the reasonably near future be economically or prudently invested therein.

(3) Upon the filing of such a petition the Tribunal shall notify all parties in interest of the time and place for public hearing or hearings. Such notice may be given by personal service upon individuals, upon agents of carriers designated for that purpose, or upon the officers of corporations other than carriers; or upon the security holders of carriers by mailing a copy of such notice to them at their last known address or by publication of such notice in such manner as the Tribunal may direct. It shall be the duty of any officer of any corporation or any individual who has any information as to the names and addresses of such security holders to divulge such information, upon order of the Tribunal, to anyone designated in said order. In the case of disobedience of such an order, the Tribunal or the United States Railway Service may invoke the aid of any court of the United States in requiring the production of such names and addresses.

(4) If, after such hearing or hearings, the Tribunal shall find that the terms and conditions of the said plan are just and reasonable and are in accordance with the provisions of this act, it shall enter an order, with a report stating its reasons therefor, approving and authorizing such acquisition upon such terms and conditions, or, if it does not so find, it shall enter an order and report so modifying the plan that it shall be just and reasonable, and in accordance with the provisions of this act, and shall approve the plan as so modified.

(5) After the entry of a final order by the Tribunal approving such a plan of acquisition, the United States Railway Service may institute proceedings for the condemnation of securities in the United States district court for a judicial district within the State within which the carrier corporation which issued such securities is chartered, or, in the case of a carrier corporation chartered under an act of Congress, in the District Court of the United States for the District of Columbia. The United States Railway Service may institute proceedings for the condemnation of property other than securities, or any right, title, or interest in such property, in the United States district court in the judicial district in which such property is located if located in one such district, or, if not, then in the United States district court in the judicial district in which the corporation owning such property has its principal operating office, which court is hereby given jurisdiction of the corporation's property wherever located for the condemnation of such property or any right, title, or interest therein.

(6) The United States Railway Service shall file with such petition a copy of the order and any report or reports of the Tribunal made in connection therewith and a full copy of the record of all the proceedings before it. The costs of any proceedings under this section and, subject to the approval of the court, the expenses, including reasonable counsel fees, incurred in connection with such proceedings, shall be taxed against the United States Railway Service.

(7) The United States district courts and the District Court of the United States for the District of Columbia are hereby given jurisdiction to hear and determine such proceedings for condemnation and to enter appropriate orders for condemnation therein. The practice, pleadings, forms, and modes of procedure in such proceedings shall conform as nearly as may be to those employed in suits in equity, and the powers of the courts of the United States to prescribe rules of procedure shall apply to such proceedings to the same extent as they apply to suits in equity: *Provided,* That the holders of the securities of any one carrier may be joined in one proceeding, and notice of any such petition shall be given to the holders of the securities or their legal representatives, or to the owners of the property, or any right, title, or interest therein, to be condemned, either by personal service, or, for good cause shown and if permitted by the court, by publication for such periods and in such newspapers as the court may direct. Reasonable notice and opportunity to be heard shall be afforded each such holder or owner in such manner as the court may prescribe.

(8) The findings of the Tribunal shall not be set aside by the court unless it shall find that they are based upon errors of law, are not supported by substantial evidence, or are arbitrary, and the court shall not hear or consider additional evidence. If the court shall set aside any such order, it shall remand the case to the Tribunal for further proceedings. Where payment is to be made in debentures of the United States Railway Service and the court on review shall confirm the finding of the Tribunal as to the amount of the just compensation and shall find that the person whose property is condemned is made whole by payment in said debentures, such person shall not be entitled to compensation in money or otherwise than in said debentures. Payment of the award shall be made, and the property condemned shall be transferred, in the manner prescribed by the court. In case of failure to pay the award within 30 days after the judgment or decree making the award has become final and upon the deposit with the clerk of the court of the certificate of the stock properly signed or the documents properly transferring any right, title, or interest in property, final process to execute the award may be had by writ of execution.

ACQUISITION BY EXCHANGE OF SECURITIES

SEC. 204. (a) The United States Railway Service is hereby authorized to submit to the security holders of any carrier, for their acceptance or rejection, a plan for the acquisition of their securities by the exchange of securities of the United States Railway Service for the securities of the carrier in accordance with the following provisions:

(1) Such plan shall specify the property of the carrier which is to be the basis of such exchange and may, where appropriate, provide for the divestiture by the carrier of such property as under the terms of the plan is not to be acquired by the United States Railway Service under terms and conditions affording adequate protection to the rights of creditors and security holders of the carrier. The Tribunal is hereby given authority to order such divestiture upon petition of the United States Railway Service when such divestiture is necessary to the accomplishment of an acquisition under this section.

(2) In such plan the United States Railway Service is authorized to offer such an exchange of the debentures of the United States Railway Service for the securities of the carrier as may be fully compensatory to the owners thereof for the value of such securities at the time of the offer; and such an exchange of contingent securities of the United States Railway Service for the said securities of the carrier as may cover the difference, if any, between their value at the time of the offer and what their value would then be if the earnings of the carrier at that time were the same as in the year 1930: *Provided, however,* That the interest on the debentures issued in such an exchange shall not exceed the

total income in the year 1937 from the property upon which the exchange is based: *Provided further,* That the aggregate interest and dividends payable upon the debentures and contingent securities issued in such an exchange shall not exceed the total income in the year 1930 from such property. In the consideration of such total income for the said years 1930 and 1937, adjustment may be made, where necessary, for any portion thereof attributable to property the divestiture of which may be ordered, under the provisions of paragraph (1) of this subsection, and for changes in the amount of the property, and for inadequate or excessive charges for maintenance, depreciation, or other accounts, as the result of which the incomes as shown in the accounts kept pursuant to the classification of the Commission are not accurately reflective of the true earning capacity of the property.

(b) (1) The United States Railway Service shall file with the Tribunal a plan for the exchange of its securities for the securities of any carrier in accordance with the foregoing provisions, and shall file a petition for the condemnation, in accordance with section 203 hereof, of any securities the holders of which do not accept the offer contained in such plan. Upon the filing of such a petition and plan the Tribunal shall serve a copy thereof upon all parties in interest and upon the holders of any securities which are the subject of such plan and shall give such security holders notice to the effect that if, within 90 days of the date which such notice bears, they shall not accept such offer by filing an acceptance with the Tribunal in such form as it may direct, their securities shall be condemned, and notice of a hearing or hearings for the purposes of such condemnation not later than 150 days subsequent to the date which such notice bears. Such notice may be given by personal service upon individuals, upon agents of carriers designated for that purpose, or upon the officers of corporations other than carriers; or upon any security holder of a carrier by mailing a copy of such notice to his last-known address or by publication of such notice in such manner as the Tribunal may direct. It shall be the duty of any officers of any corporation or any individual who has any information as to the names and addresses of such security holders, to divulge such information, upon order of the Tribunal, to anyone designated in said order. In the case of disobedience of such an order the Tribunal or the United States Railway Service may invoke the aid of any court of the United States in requiring the production of such names and addresses.

(2) At such hearing or hearings the Tribunal shall determine the just compensation due to the holders of any securities which have not accepted the offer provided for in the plan of the United States Railway Service. Such determination shall be in accordance with the provisions of section 203 (2). If, after such hearing or hearings, the Tribunal shall find that the terms and conditions in the petition of the United States Railway Service for the condemnation of such securities are just and reasonable and are in accordance with the provisions of this act, it shall enter an order, with a report stating its reasons therefor, approving and authorizing such acquisition upon such terms and conditions, or, if it does not so find, it shall enter an order and report so modifying the terms and conditions that they shall be just and reasonable, and in accordance with the provisions of this act, and shall approve the plan as so modified. After the entry of such a final order by the Tribunal, the United States Railway Service may institute proceedings for the condemnation of such securities in accordance with paragraphs (5) to (8), inclusive, of section 203.

SEC. 205. Where any carrier is involved in any proceedings brought under the terms of section 77 of the Bankruptcy Act, or in any equity foreclosure proceedings brought in any equity court, the Board shall have authority to submit in such proceedings a reorganization plan, the provisions of which shall be in accordance with the provisions of section 204 (a) (2) of this act, and shall have full authority to take such steps as may be necessary or appropriate to acquire the property of the carrier.

ACQUISITION BY CONTRACT WITH A CARRIER

SEC. 206. (a) The United States Railway Service is hereby authorized to contract with any carrier for the acquisition of its property or any part thereof or any right, title, or interest therein, subject to the approval of the Tribunal first obtained, after notice and a public hearing, including approval of the terms and conditions of the acquisition. Such contract may be on a basis, among others, whereby there shall be exchanged for the right, title, and interest in such property as is acquired, debentures and contingent securities of the United States Railway Service: *Provided,* That the interest on the debentures issued in such an exchange, together with the fixed charges upon any debt outstanding against the property acquired shall not exceed the total income from such property or right, title, or interest for the calendar year 1937: *Provided further,* That the aggregate interest and dividends on debentures and contingent securities issued in such an exchange, and the fixed charges upon any debt outstanding against the property, shall not exceed the total income from the operation of such property or right, title, or interest in the year 1930. In the consideration of such incomes adjustments may be made where necessary for changes in the amount of the property and for inadequate or excessive charges for maintenance, depreciation, or other accounts, as the result of which the incomes as shown in the accounts kept pursuant to the classification of the Commission are not accurately reflective of the true earning capacity of the property.

(b) Such a contract shall be valid only if it shall have such approval by the board of directors and the holders of the voting securities of such carrier as is required by the applicable State law. Such contract shall specify the property, or the right, title, or interest therein, to be acquired, the consideration to be paid therefor and the securities, with a specification of the terms and conditions thereof, in which such consideration shall be payable.

(c) The holder of any share of capital stock issued by a carrier corporation which is a party to such a contract, may, in accordance with the provisions of this section, become a dissenting stockholder if such plan provides for the disposition of all or substantially all the property, franchises, and other assets of such carrier corporation, and if such holder, under the applicable State law, would be entitled to obtain payment in cash for his share, if he did not consent to such plan. The holder of any such share shall be held to be a dissenting stockholder only if (1) he is registered as the holder thereof upon the date of the entry of the order of the Tribunal approving the plan and continues to be so registered until the closing of the books for the purpose of the meeting at which the consent to the adoption of such plan is voted; (2) he votes against the adoption of the plan at such meeting, or prior thereto gives a written protest against the adoption of such plan to the carrier corporation of which he is a stockholder; and (3) within 60 days after such meeting gives written notice to such carrier that he does not consent to the adoption of such plan: *Provided, however,* That if at the time of such meeting any such registered stockholder is deceased or under a legal disability and there is no legal representative duly authorized to act for him, or if such registered stockholder dies or becomes under a legal disability within such 60 days, then such notice may be given at any time prior to the expiration of 60 days from the date on which such disability is removed or the date on which a legal representative is duly authorized to act for such stockholder, whichever date is the earlier. It shall be the duty of the secretary of any carrier corporation which is party to such a plan to prepare and submit to the United States Railway Service a certificate of the names and addresses and holdings of any dissenting stockholders, in accordance with the foregoing provisions.

(d) The United States Railway Service shall file with the Tribunal a petition in accordance with the provisions of section 203 hereof, for the condemnation of the securities of such dissenting stockholders, to which it shall attach a copy of its contract with the carrier for the purchase of its property, and a copy of the certificate of the secretary of the said carrier of the names, addresses, and holdings of the dissenting stockholders. The hearings and the further proceedings shall be governed by the provisions of section 203.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. No tax shall be levied or collected under any revenue law of the United States, or by or under the authority of any State or any political subdivision thereof, in respect to any issue, sale, delivery, or transfer of any security, or any agreement to sell, or memorandum of sale, of any security, if in pursuance of an order under this Act approving a plan. Gain from the sale or other disposition of property, or income from any distribution, in connection with any such plan, shall not be subject to tax by or under the authority of any State or any political subdivision thereof, except to the extent that money is received from time to time from such sale, disposition, or distribution.

SEC. 302. The remedies afforded by this act shall constitute the exclusive remedies of any carrier, or of any interested party in opposition to the exercise of any authority or power under this act.

SEC. 303. The Tribunal is authorized to prescribe from time to time such rules and regulations as it may deem necessary for carrying out the provisions of this act.

SEC. 304. (a) After January 1, 1938, the Board may initiate rates, fares, and charges, and classifications, regulations, and practices relating thereto, of the United States Railway Service, by filing the same with the Commission, which said rates, fares, charges, classifications, regulations, and practices shall not be suspended by the Commission. Such rates, fares, charges, classifications, regulations, and practices shall be just and reasonable and take effect at such time and upon such notice as the trustees may direct, but the Commission shall, upon complaint, enter upon a hearing concerning the justness and reasonableness of so much of any order of the Board as establishes or changes any rate, fare, charge, classification, regulation, or practice of the United States Railway Service, and may consider all the facts and circumstances existing at the time of the making of the same.

(b) After full hearing, the Commission may make such findings and orders as are authorized by the Interstate Commerce Act, as amended, and said findings and order shall be enforced as provided in said act: *Provided, however,* That when the Board shall find and certify to the Commission that in order to defray the expenses of operation fairly chargeable to railway operating expenses and to accrue earnings adequate to pay the interest and dividends on the debentures and contingent securities, it is necessary to increase the railway operating revenues, the Commission shall, in the exercise of its power to prescribe just and reasonable rates, initiate, modify, establish, or adjust such rates so that such expense of operation shall, so far as practicable, be defrayed and such adequate earnings accrued: *Provided,* That the Commission shall have reasonable latitude to modify or adjust any particular

rate which it may find to be unjust or unreasonable, and to prescribe different rates for different sections of the country. Such rates, fares, charges, classifications, regulations, or practices initiated by the United States Railway Service and/or ordered by the Commission shall be observed by the parties affected thereby, the law of any State or the decision or order of any State authority to the contrary notwithstanding.

SEC. 305. (a) Every person who shall knowingly violate or fail to observe any of the provisions of this act, or shall knowingly interfere with or impede the possession, use, operation, or control of any railroad property, railroad, or transportation system taken over by the United States Railway Service, or shall knowingly violate any of the provisions of any order or regulation made in pursuance of this act, shall be guilty of a misdemeanor, and shall, upon conviction, be punished by a fine of not more than $5,000 or, if an individual, by imprisonment for not more than 2 years, or both. Each independent transaction constituting a violation of, or a failure to observe, any of the provisions of this act, or any order entered in pursuance hereof, shall constitute a separate offense.

(b) For the taking or conversion to his own use or the embezzlement of money or property derived from or used in connection with the possession, use, or operation of said railroads or transportation systems, the criminal statutes of the United States, as well as the criminal statutes of the various States where applicable, shall apply to all officers, agents, and employees engaged in said railroad and transportation service, while the same is under control of the United States Railway Service, to the same extent as to persons employed in the regular service of the United States.

(c) Prosecutions for violations of this act or of any order entered hereunder shall be in the district courts of the United States, under the direction of the Attorney General, in accordance with the procedure for the collection and imposing of fines and penalties now existing in said courts.

SEC. 306. The United States Railway Service shall be subject to the provisions of the Railway Labor Act, approved May 20, 1926, as amended, and in the operation of the transportation and terminal facilities under this act shall, insofar as not inconsistent herewith, be subject to all other laws, regulations, and liabilities governing such operation to the same extent as if such facilities were privately owned and operated.

SEC. 307. This act may be cited as the Federal Railroad Acquisition Act of 1938.

Mr. GIBSON. Mr. President, yesterday, in the discussion of the aeronautical bill, the junior Senator from Nevada [Mr. McCARRAN] made the statement that the Capital of the Nation should have an airfield second to none in the world, but that, as a matter of fact, in his view, it has the poorest airfield in America. In this statement the junior Senator from Nevada is absolutely correct.

Recently, in an effort to improve present conditions, we passed a bill closing the Arlington Military Road. That action relieves some of the hazards in connection with landing, but it is not an answer to the problem. The President of the United States is interested in this matter, and recently he wrote a letter explaining his reasons for approving the bill closing Military Road and stating what he thought of the immediate situation. I ask unanimous consent, Mr. President, that the letter may be read by the clerk.

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). Without objection, the letter will be read.

The Chief Clerk read as follows:

THE WHITE HOUSE,
Washington, April 21, 1938.

Hon. ERNEST W. GIBSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR GIBSON: I have your letter of April 11 regarding the bill (S. 3304) to promote air commerce by providing for the closing of Military Road, and your letter of April 14 to Mr. Rudolph Forster transmitting two letters from the Air Line Pilots Association and the Aero Club of Washington which you requested him to bring to my attention.

I had already signed the bill when your letter to Mr. Forster reached me.

I was persuaded to give my approval to this legislation as a means of immediately reducing the operating hazards at Hoover Airport. I indicated, however, in my letter to Chairman MAY, of the House Military Affairs Committee, that, while I was willing, as a temporary measure, to have Military Road closed, this could not be considered a final satisfactory solution of the problem, and that further action should be taken as soon as possible to provide for the establishment of airports at Gravelly Point and Camp Springs.

I thank you for your letters and for your continuing interest in the plan for an airport at Gravelly Point.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. McCARRAN. Mr. President, in connection with the letter addressed by the President of the United States to the Senator from Vermont [Mr. GIBSON] I wish to say a brief word with reference to conditions from the standpoint of air commerce at the National Capital.

For some 4 years the Committee on the District of Columbia has had under consideration what is known as the Hoover Airport, which serves the National Capital. On yesterday it was my privilege to say—and I desire now to repeat—that the National Capital has one of the most dangerous airports in the Nation, if not in the world. That a major disaster has not occurred at that airport is merely a matter of good luck and good fortune. That a major disaster will occur there is, to my mind, one of the things in the offing, much as I regret it, for the airport that serves the National Capital is lacking in practically all the elements that enter into safety and the protection of life. Every pilot who flies a plane into the Hoover Airport takes his life and the lives of those who ride with him in his hands. Every pilot who flies a plane into the Hoover Airport is dallying with death. Everyone who has ever taken off from that airport, as some of us have taken off from it, knows that until the airport is cleared and even until it is out of sight passengers and pilot face a hazard and may really wonder whether or not they will in a moment be corpses. Such are the real conditions that prevail at the airport which serves the National Capital.

I am glad that the President of the United States has seen fit, in conformity with the letter sent to him by the able Senator from Vermont who has just addressed the Senate, to make his attitude known. I am glad that he has seen fit to take the initiative so that this death trap which now serves this city, the capital of the greatest nation in the world, may be so changed that life and property will be, at least to some extent, secure.

Mr. President, I hope that we may now proceed with the bill by the reading of the committee amendments, which, I understand, take precedence.

The PRESIDING OFFICER. The clerk will state in their order the amendments reported by the committee.

The first amendment of the Committee on Commerce was, under the heading, "Title I—General provisions—Definitions", in section 1, on page 3, after line 5, to strike out:

(b) "Air carrier" means any citizen of the United States who, or which, undertakes, whether directly or indirectly, or by a lease or any other arrangement, to engage as a common carrier in transportation by aircraft of passengers, property, or mail for compensation or hire.

And in lieu thereof to insert:

(b) "Air carrier" means any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation: *Provided*, That the Authority may by order relieve air carriers who are not directly engaged in the operation of aircraft in air transportation from the provisions of this act to the extent and for such periods as may be in the public interest.

The amendment was agreed to.

The next amendment was, on page 4, after line 8, to strike out:

(c) "Air commerce" means the operation of aircraft by a person other than an air carrier in the carriage of persons or property for compensation or hire, or in the carriage of mail, or in the conduct or furtherance of any other business or vocation, or within the limits of any civil airway designated or established under this act; or any operation of aircraft which directly affects, or which may jeopardize safety in, interstate, overseas, or foreign air commerce.

And in lieu thereof to insert:

(c) "Air commerce" means interstate, overseas, or foreign air commerce or any operation or navigation of aircraft within the limits of any civil airway or any operation or navigation of aircraft which directly affects, or which may endanger safety in, interstate, overseas, or foreign air commerce.

Mr. McCARRAN. Mr. President, there is an amendment on page 3, if I am not mistaken.

The PRESIDING OFFICER. The Chair is advised that that amendment was stated earlier in the day and was agreed to.

Mr. COPELAND. Mr. President, as I understand the language at the bottom of page 3 has been stricken out and the language at the top of page 4 has been inserted.

The PRESIDING OFFICER. The Chair understands that to be correct.

The question is on agreeing to the amendment on page 4, after line 8.

The amendment was agreed to.

The next amendment was, on page 5, line 7, after the word "the" where it occurs the second time, to strike out "operation" and insert "navigation", and in line 10, after the word "who", to strike out "engages in" and insert "is in charge of", so as to read:

(f) "Airman" means any individual who engages, as the person in command or as pilot, mechanic, or member of the crew, in the navigation of aircraft while under way; and (except to the extent the Authority may otherwise provide with respect to individuals employed outside the United States) any individual who is in charge of the inspection, maintenance, overhauling, or repair of aircraft, or parachutes, or other safety or navigational devices or accessories; and any individual who serves in the capacity of aircraft dispatcher or air-traffic control-tower operator.

The amendment was agreed to.

Mr. McCARRAN. Mr. President, I take it that we may return to page 5 for the purpose of offering amendments after the committee amendments shall have been disposed of? Is that correct?

Mr. COPELAND. Yes; the committee amendments are to be considered first.

The PRESIDING OFFICER. The Senator from Nevada is correct in his statement.

The next amendment was, on page 6, line 6, after the word "carriage", to insert "in interstate, overseas, or foreign air transportation or the transportation of mail by aircraft", so as to read:

(i) "Air transportation" means transportation by an air carrier, including the use of any and all facilities and instrumentalities of shipment or carriage, irrespective of any contract, express or implied, for the use thereof, and any and all services in or in connection with such shipment or carriage in interstate, overseas, or foreign air transportation or the transportation of mail by aircraft.

The amendment was agreed to.

The next amendment was, on page 6, after line 7, to strike out:

(j) "Appliances" means instruments, equipment, apparatus, parts, appurtenances, or accessories, of whatever description, which are installed in or attached to, and are used, or are capable of being or intended to be used, in the navigation, operation, or control of, aircraft in flight (including parachutes and communication equipment), and which are not a part or parts of aircraft, aircraft engines, or propellers.

And in lieu thereof to insert:

(j) "Appliances" means instruments, equipment, apparatus, parts, appurtenances, or accessories, of whatever description, which are used, or are capable of being or intended to be used, in the navigation, operation, or control of aircraft in flight (including parachutes and including communication equipment and any other mechanism or mechanisms installed in or attached to aircraft during flight), and which are not a part or parts of aircraft, aircraft engines, or propellers.

The amendment was agreed to.

The next amendment was, on page 7, after line 11, to strike out:

(m) "Civil aeronautics" means both air commerce and air transportation.

And in lieu thereof to insert:

(m) "Civil aircraft" means any aircraft other than a public aircraft.

(n) "Civil aircraft of the United States" means any aircraft registered as provided in this act.

Mr. McCARRAN. Mr. President, with regard to the amendment on page 7, lines 12 to 17, inclusive, I think the chairman of the Committee on Commerce and I have agreed that the language should stand as originally written in the bill.

Mr. COPELAND. I think that was the understanding. Our idea is that the amendment on lines 12, 13, 14, 15, 16, and 17 on page 7 should be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 7 beginning in line 12.

The amendment was rejected.

The next amendment was, on page 7, after line 21, to insert:

(p) "Foreign air carrier" means any person, not a citizen of the United States, who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in foreign air transportation.

The amendment was agreed to.

The next amendment was, on page 8, in line 2, after the word "respectively", to strike out "air commerce between, and" and insert "the carriage by aircraft of persons or property for compensation or hire, or the carriage of mail by aircraft, or the operation or navigation of aircraft in the conduct or furtherance of a business or vocation, in commerce between—"; after line 7, to strike out:

"Interstate air transportation", "overseas air transportation", and "foreign air transportation" mean, respectively, transportation by air carriers between.

In line 25, after the word "outside", to strike out "thereof." and insert "thereof,", and at the top of page 9, to insert:

whether such commerce moves wholly by aircraft or partly by aircraft and partly by other forms of transportation.

(r) "Interstate air transportation", "overseas air transportation", and "foreign air transportation" mean, respectively, the carriage by aircraft of persons or property as a common carrier for compensation or hire or the carriage of mail by aircraft, in commerce between—

(1) A place in any State of the United States, or the District of Columbia, and a place in any other State of the United States, or the District of Columbia; or between places in the same State of the United States through the air space over any place outside thereof; or between places in the same Territory or possession of the United States, or the District of Columbia;

(2) A place in any State of the United States, or the District of Columbia, and any place in a Territory or possession of the United States; or between a place in a Territory or possession of the United States and a place in any other Territory or possession of the United States; and

(3) Any place in the United States and any place outside thereof, whether such commerce moves wholly by aircraft or partly by aircraft and partly by other forms of transportation.

So as to read:

(q) "Interstate air commerce", "overseas air commerce", and "foreign air commerce" mean, respectively, the carriage by aircraft of persons or property for compensation or hire, or the carriage of mail by aircraft, or the operation or navigation of aircraft in the conduct or furtherance of a business or vocation, in commerce between—

(1) a place in any State of the United States, or the District of Columbia, and a place in any other State of the United States, or the District of Columbia; or between places in the same State of the United States through the air space over any place outside thereof; or between places in the same Territory or possession of the United States, or the District of Columbia;

(2) a place in any State of the United States, or the District of Columbia, and a place in a Territory or possession of the United States; or between a place in a Territory or possession of the United States and a place in any other Territory or possession of the United States; and

(3) any place in the United States and any place outside thereof, whether such commerce moves wholly by aircraft or partly by aircraft and partly by other forms of transportation.

(r) "Interstate air transportation", "Overseas air transportation", and "Foreign air transportation", mean, respectively the carriage by aircraft of persons or property as a common carrier for compensation or hire or the carriage of mail by aircraft in commerce between—

(1) A place in any State of the United States or the District of Columbia and a place in any other State of the United States or the District of Columbia; or between places in the same State of the United States through the air space over any place outside thereof; or between places in the same Territory or possession of the United States or the District of Columbia;

(2) A place in any State of the United States, or the District of Columbia, and any place in a Territory or possession of the United States; or between a place in a Territory or possession of the United States, and a place in any other Territory or possession of the United States; and

(3) Any place in the United States and any place outside thereof, whether such commerce moves wholly by aircraft or partly by aircraft and partly by other forms of transportation.

The amendment was agreed to.

The next amendment was, on page 10, in line 7, after the word "mail", to strike out "moving in air transportation or air commerce", so as to read:

(t) "Mail" includes United States mail and foreign-transit mail.

The amendment was agreed to.

The next amendment was, on page 10, after line 8, to insert:

(u) "Navigable air space" means air space above the minimum altitudes of flight prescribed by regulations issued under this act.

The amendment was agreed to.

The next amendment was, on page 10, in line 12, after the word "aircraft", to insert "or "operate aircraft" "; in line 13, after the word "aircraft", to strike out "in civil aeronautics" and insert "for the purpose of air navigation", so as to read:

(v) "Operation of aircraft" or "operate aircraft" means the use of aircraft for the purpose of air navigation and includes the piloting and navigation of aircraft. Any person who causes or authorizes the operation of aircraft, whether with or without the right of legal control (in the capacity of owner, lessee, or otherwise) of the aircraft, shall be deemed to be engaged in the operation of aircraft within the meaning of this act.

The amendment was agreed to.

The next amendment was, on page 11, after line 15, to insert:

(z) "Public aircraft" means an aircraft used exclusively in the service of any government or of any political subdivision thereof, including the government of any State, Territory, or possession of the United States, or the District of Columbia, but not including any Government-owned aircraft engaged in carrying persons or property for commercial purposes.

The amendment was agreed to.

The next amendment was, on page 13, line 2, after the word "therein", to insert a semicolon and "(5) to promote competition to the extent necessary to assure the sound development of an air transportation system property adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense", so as to read:

DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress to encourage and foster the development of civil aeronautics, and the establishment and maintenance of civil airways, landing areas, and other necessary facilities of all kinds therefor; to promote the inherent advantages of civil aeronautics as an adjunct to the national defense; to regulate air commerce in such manner as will best enable its development and safety; to regulate air transportation in such manner as (1) to recognize and preserve the inherent advantages of, and foster sound economic and safety conditions therein and among such carriers in the public interest; (2) to promote adequate, economical, efficient, and safe service by air carriers, and reasonable charges therefor, without unjust discriminations, undue preferences or advantages, and unfair or destructive competitive practices; (3) to preserve and encourage competition in such transportation to the extent necessary to assure the sound and safe development thereof; and (4) to improve the relations between, and coordinate transportation by, and regulation of, air carriers; and, by such regulation and by providing for the transportation of mail by aircraft, to preserve and further develop air commerce and a system of interstate, overseas, and foreign air transportation properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense, and assuring the highest possible degree of safety therein; (5) to promote competition to the extent necessary to assure the sound development of an air transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense.

The amendment was agreed to.

The next amendment was, on page 13, line 19, after the word "in", to strike out "civil aeronautics" and insert "air commerce", and in line 20, after the word "the" where it occurs the first time, to insert "navigable", so as to read:

PUBLIC RIGHT OF TRANSIT

SEC. 4. There is hereby recognized and declared to exist in behalf of any citizen of the United States a public right of freedom of transit in air commerce through the navigable air space of the United States.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Organization of Authority—Creation of Authority", on page 14, line 14, after the word "members", to strike out "(including the chairman and vice chairman)"; so as to read:

SEC. 201. (a) Appointment of members of authority: An agency is created and established to be known as the "Civil Aeronautics Authority" which shall be composed of five members who shall be appointed (one as chairman, who shall be the executive officer of the Authority, and one as vice chairman, who shall act as chairman in the absence or incapacity of the chairman) by the President, by and with the advice and consent of the Senate, as soon as practicable after the passage of this act, and who shall continue in office as designated by the President at the time of nomination until the last day of the second, third, fourth, fifth, and sixth calendar years, respectively, following the passage of this act. The member first appointed as chairman shall be nominated for the term of 3 years, and the member first appointed as vice chairman shall be nominated for the term of 4 years. The successors of the members shall be appointed for terms of 6 years in the same manner as the members originally appointed under this act, except that any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. No more than three of the members shall be appointed from the same political party. Each member of the Authority shall receive a salary at the rate of $12,000 per annum.

The amendment was agreed to.

The next amendment was, on page 14, line 23, after the words "Qualifications of Members.", to insert "Not less than three of the members of the Authority shall have been closely associated with aeronautics for a period of 10 years."; on page 15, line 4, after the word "member", to insert "of the Authority"; in line 5, after the word "member", to insert "of the Authority"; in line 7, after the word "member", to insert "of the Authority", and in line 9, after the word "member", to insert "of the Authority"; so as to read:

(b) Qualifications of members: Not less than three of the members of the Authority shall have been closely associated with aeronautics for a period of 10 years. The members shall be appointed with due regard to their special fitness for the efficient dispatch of the powers and duties vested in and imposed upon the Authority by this act. Each member of the Authority shall be a citizen of the United States, and no member of the Authority shall have any pecuniary interest in or own any stock or bonds in any civil-aeronautics enterprise. No member of the Authority shall engage in any other business, vocation, or employment. Any member of the Authority may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

The amendment was agreed to.

The next amendment was, on page 15, line 13, before the word "of" where it occurs the first time, to strike out "a majority" and insert "three", so as to read:

(c) Quorum, principal office, and seal: Three of the members shall constitute a quorum of the Authority. The principal office of the Authority shall be in the District of Columbia where its general sessions shall be held, but whenever the convenience of the public or of the parties may be promoted, or delay or expense may be prevented, the Authority may hold hearings or other proceedings at any other place. The Authority shall have an official seal which shall be judicially noticed.

The amendment was agreed to.

The next amendment was, under the subhead "Organization of Authority", on page 15, line 24, after the word "of", where it occurs the second time, to strike out "$9,000" and insert "$7,500"; and on page 16, line 2, after the word "of", to strike out "$9,000" and insert "$7,500", so as to read:

SEC. 202. (a) Officers and employees: The Authority shall appoint and prescribe the duties of a secretary of the Authority who shall receive a salary of $7,500 per annum; a secretary for each member, each of whom shall receive a salary of $4,000 per annum; a director for each bureau who shall receive a salary of $7,500 per annum.

Mr. McCARRAN. Mr. President, with regard to the amendment with relation to salaries, I am not going to be a stickler for salaries, but I believe that in view of their importance the positions deserve the salaries which we thought were proper in the first place. I hope the Senator from New York, the chairman of the committee, will not insist on the committee amendments proposing a reduction in the salaries.

Mr. COPELAND. I have no objection, Mr. President, if these amendments be disagreed to. I myself think that, in view of the salaries paid the Maritime Commissioners and other officials of the Government, we have been, in the salaries provided, a little too parsimonious, if that word is still in use in the English language.

The PRESIDING OFFICER. Without objection, the amendments just stated with regard to salaries are rejected.

The clerk will state the next amendment of the Committee on Commerce.

The next amendment was, on page 16, in line 3, after the word "annum", to strike out "and who shall also be a member of the National Advisory Committee for Aeronautics."

Mr. McCARRAN. Mr. President, with regard to the amendment beginning in line 3 on page 16, proposing to strike out the words "and who shall also be a member of the National Advisory Committee for Aeronautics", I suggest to the Senator from New York that the National Advisory Committee for Aeronautics performs a most beneficial function in connection with aviation? It has a very fine laboratory located down the river. We appropriate for it from year to year, as the Senator well knows. It is one of our great laboratories of study and research. It seems to me that one member of the Commission we are about to create should be in touch with that great agency so as to bring the beneficial results of its study and research into the whole situation.

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

Mr. McCARRAN. I yield.

Mr. TRUMAN. I expect to offer an amendment which will authorize putting two members on the board.

Mr. McCARRAN. I should not resist such an amendment.

Mr. POPE. Mr. President, I inquire whether the committee amendment at the bottom of page 14 was adopted. That is the amendment to which I called the attention of the Senator from Nevada yesterday [reading]:

Not less than three of the members of the authority shall have been closely associated with aeronautics for a period of 10 years.

The PRESIDING OFFICER. That amendment was adopted.

Mr. McCARRAN. That is correct. On yesterday I tried to explain to the Senator from Idaho that that was an amendment which grew out of the splendid experience and study of the chairman of the Commerce Committee, the senior Senator from New York [Mr. COPELAND], who tried, as I take it, to weave into the agency which we are about to create the best experience he could bring to it. In other words, he wanted those who would go into this agency to be trained and experienced as far as men of training and experience could be obtained.

Mr. COPELAND rose.

Mr. McCARRAN. I will yield the floor to the Senator from New York to answer the question of the Senator from Idaho.

Mr. COPELAND. Mr. President, perhaps the choice of language is unfortunate. That is what the Senator had in mind, I think. We did not mean that three or more members of the authority should be men who had been executives, for example, in one of the commercial organizations, but that they should be experienced airmen—that is what we had in mind—men who perhaps were pilots in the war, or who had been engaged as consultants in aviation matters.

Mr. POPE. Let me submit my thought to the Senator from New York. I am not insistent about the matter, but it occurred to me that there was serious question about the amendment.

For instance, I am thinking of the public utilities commission of my State, or the Interstate Commerce Commission, either of which might be required by law to consist of persons who had been closely associated with certain activities for a period of 10 years.

In the first place, "closely associated" is a very vague term. It does not indicate what sort of association is meant, whether training or experience in actual aeronautics, or what. It seemed to me that to put in that requirement might prevent some very good men from being selected; and close association with private companies or private industry might in itself raise a further question. I wondered why a strict limitation to persons having 10 years' close association with aeronautics is necessary.

Mr. COPELAND. Would the Senator be better satisfied if the language were like this?—

Shall have had special knowledge of aeronautics over a period of 10 years.

Mr. POPE. I should very much prefer that language, because the men in question might be students of the subject. They might have had the sort of experience which comes from study and investigation and thought and training in subjects which would fit them for these duties, without ever having flown a plane, or ever having been closely associated with aeronautics.

Mr. McCARRAN. I was about to suggest to the Senator from Idaho and the Senator from New York this expression:

Practical rather than theoretical experience with aeronautics for a period of 10 years.

Mr. POPE. My thought was that if the men had had knowledge of the subject, I should have no objection to that, and, of course, that would be very desirable; but to have been closely associated with aeronautics seems to me is not desirable language.

Mr. COPELAND. Would this language satisfy the Senator?—

Shall have had practical experience with aeronautics over a period of 10 years.

I do not know that the men need be fliers. They might be lawyers.

Mr. POPE. I have no objection to that language.

Mr. COPELAND. Then I suggest, Mr. President, that this part of the bill be amended to read:

Not less than three of the members of the Authority shall have had practical experience with aeronautics over a period of 10 years.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment, on page 14, lines 23 to 25, was adopted will be reconsidered, and the amendment offered by the Senator from New York to the amendment of the committee will be agreed to.

Without objection, the committee amendment, as amended, will be agreed to.

The question now is on agreeing to the committee amendment on page 16, lines 3 and 4.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 16, line 7, after the word "experience", to strike out "with the approval of the Civil Service Commission", so as to read:

All such directors, assistant directors, and heads shall be appointed on the basis of qualifications and experience.

The amendment was agreed to.

The next amendment was, on page 17, line 13, before the word "classification", to insert "the", so as to read:

(b) Transfer of present employees: All officers and employees of the Bureau of Air Mail of the Interstate Commerce Commission and all officers and employees of the Bureau of Air Commerce of the Department of Commerce shall forthwith be transferred to and become a part of the Authority, without reduction in the classification or compensation for a probationary period of 6 months from the date of transfer.

The amendment was agreed to.

The next amendment was, under the subhead "Authorization of expenditures and travel", on page 20, line 14, after the word "and", to strike out "shall" and insert "may", and in line 15, after the word "the", where it occurs the first time, to strike out "exclusive", so as to read:

(b) Purchase of aircraft: The Authority, within the limits of appropriations made available by Congress, may purchase and exchange modern aircraft, completely equipped in such manner that such aircraft can be used in testing and checking every phase of flight operation; and may purchase and exchange for the use of the Air Safety Board modern aircraft similar to aircraft used or suitable for use in air transportation, completely equipped in such manner that they can be used in testing and checking every phase of flight operation encountered in air transportation. The Authority is authorized to obtain necessary space, facilities, and personnel for the storage, maintenance, operation, and navigation of such aircraft.

The amendment was agreed to.

The next amendment was, on page 21, after line 8, to strike out:

(d) Long-term contracts: In planning for orderly development and location of landing areas, airways, and other aids and

facilities for air navigation, as hereinafter authorized and directed, the Authority may enter into long-term contracts for the purchase, lease, construction, installation, operation, repair, alteration, or maintenance of materials, facilities, supplies, and services therefor, whenever such contracts are essential in the public interest or in the interest of safety in air navigation and will result in the greatest economy to the Government, and appropriations for such contracts are hereby authorized. Such contracts may be made for periods of not more than 5 years and may be for net expenditures by the Federal Government in amounts not exceeding $2,500,000 per annum in addition to the regular annual appropriations for the same purposes. The Authority shall make a full report to the Congress annually of all such contracts and the expenditures thereunder, or more frequently if required by any committee of Congress. The Authority also may lease the use of landing areas controlled by it to such persons as it finds financially responsible and properly qualified to operate and maintain such landing areas for the purposes for which they are used, but in no event shall the amount paid under such lease be less than the amount paid by the Government for lease of like landing areas used under like conditions. All amounts received under such leases shall be available for expenditures for the purposes for which contracts are authorized by this paragraph.

The amendment was agreed to.

Mr. McCARRAN. Mr. President, I desire to discuss and draw to the attention of the Senator from New York the language beginning on line 9 of page 21 and going to line 11 on page 22.

There is on foot in this country a great movement for the Government to acquire control of airports. The execution of long-term leases is a way in which it can acquire control. The fact of the matter is that today we are appropriating some $2,000,000 a year for this very purpose. That sum is appropriated through the Department of Commerce. Today the Government may get long-term leases and otherwise take over the control of airports.

On yesterday I dwelt on the subject from the standpoint that, regardless of how we view an airplane—we look at it from the air, and we say it is a wonderful thing, a great mechanism—the airplane must rise from the earth somewhere, and it must alight on the earth somewhere; and the landing fields are as much a part of the function, as much a part of the great industry as is the mechanism itself. So, little by little, we are beginning to realize—and eventually we must adopt a plan to carry out the realization—that the Federal Government should take absolute sovereignty and control over the airports of the country just as the Federal Government takes control over the ports of entry of the country.

Today the Federal Government is in control of the ports of New York and San Francisco and other great ports of entry. We are now dealing with an agency of interstate commerce. The Federal Government is to control this agency of commerce. It will also control the agency of commerce from the standpoint of those who will fly here from abroad; for eventually foreign lines must come here under Government permit. In view of the fact that for the past several years we have appropriated some $2,000,000 a year for the acquisition and control of airports through long-lease contracts and long leases, it seems to me this amendment should not prevail.

I draw the matter to the attention of the Senator from New York; and I hope his committee and he may consent to the rejection of the amendment.

Mr. COPELAND. Mr. President, I do not think I have any profound convictions on this subject. I have some doubt about the Government immediately engaging in the acquisition of airports and some skepticism about the propriety of tying up the Government in long-term contracts with airports now in existence.

We are going to have within a very short time a vast change in what I may call the quality of airports. The size of ships sailing through the air is increasing all the time. I said yesterday that we are now flying ships as large as the medium-sized vessel of the fleet in which Columbus and his companions sailed to America, and it will not be long before the largest ship of his fleet will be duplicated in size by ships in the air. If we were to enter into long-time leases of the airports now in existence we might commit ourselves to expenditures which later would be found to be unwise.

That is all I care to say about the matter.

Mr. TRUMAN. Mr. President, I think the point of the Senator from New York is well taken that the expenditure for this purpose should not be limited at the present time. The authority is authorized in this bill to make a survey and report to the Congress on the suitability of federally owned airports. We in the Appropriations Committee wanted to spend some $4,000,000 for this very purpose. If we are limited to two and a half million dollars, we cannot spend $4,000,000. I want the Government to be free to make larger expenditures than this, and I do not want any limitation on them. I think the Senator from Nevada is making a mistake by not accepting the amendment.

Mr. COPELAND. Mr. President, is there not also another thought? We are providing for the Commission. They will have some ideas about the matter in a few months. The fear I have is that we will crystallize the thing, will fossilize it, will so fix it that the Commission itself will have its hands tied.

Mr. McCARRAN. Mr. President, let me say a last word in furtherance of my idea. Both the Senator from New York and the Senator from Missouri are members of the committee which has provided for the appropriation of $2,000,000 for the last 3 years to be used for the acquisition of airports by long-term leases and the like.

Let us get away from the idea of the airport in the big centers. The Federal Government must of necessity acquire airports for emergency landing fields. We know of leases which exist for that purpose. Why should the authority be curtailed, why should their rights be limited to acquiring those things which are emergency measures for the safety of the industry?

Mr. TRUMAN. I do not believe the authority will be curtailed at all, but I do think that if this section were placed in the law, and the authority should enter into long-term leases and the appropriation should be limited to two and a half million dollars, in 2 years the industry would be handicapped by that very section.

Mr. COPELAND. Mr. President, I do not like to have the matter hung up in the air, and I shall follow the Senator from Nevada in what he decides. I feel, however, that the Government is not buying air fields. Air fields are provided by communities, for example, the airport at Newark. In New York City a four or five million dollar air field is being constructed.

It is rather presumptuous of me to speak of the matter in the presence of these distinguished lawyers, but I would have serious question about the right of the Federal Government to go into a State and acquire air fields. At any rate, since the matter is not urgent, and the Commission will be given large powers, my judgment would be that we should adopt the amendment and wait to enact legislation in the future, if need be, or wait for determination by the Commission itself.

Mr. McCARRAN. Mr. President, I withdraw objection to the amendment.

The PRESIDING OFFICER. The amendment has already been agreed to. The clerk will state the next amendment.

The next amendment was, on page 23, at the beginning of line 12, to strike out "(e)" and insert "(d)", and in line 2, after the word "authorized", to strike out "by" and insert "or approved under the authority of", so as to read:

(d) Travel: Members, employees, or agents of the Authority are hereby authorized to travel, as the Authority may direct, by any means of air, land, or water transportation, including the use of public or private carriers, and to travel between airports and centers of population and other points, and such expenditures as are incurred thereby on official business shall be allowed and paid as travel expense, and not included in per diem or subsistence allowance, on itemized vouchers therefor. Expenditures for travel between airports and centers of population and other points shall be allowed and paid as travel expense whether or not such travel is incidental to travel by aircraft. The cost of travel by air on official business by all other Government officials and employees, including necessary travel to and from airports, shall be allowed and paid

by the United States in all cases where such travel is authorized or approved under the authority of the head of the department, establishment, or agency in which such official or employee is employed.

The amendment was agreed to.

The next amendment was, under the heading "Title III—Establishment of aids and facilities for air navigation," on page 28, line 6, after the word "of", to strike out "civil aeronautics" and insert "air commerce"; in line 9, after the word "each", to insert "civil"; in line 12, after the word "along", to insert "civil"; in the same line, after the word "areas", to insert "regularly"; in line 16, after the word "commerce", to strike out "or air transportation"; and in line 22, after the word "commerce", to strike out "or air transportation", so as to read:

LANDING AREAS

SEC. 303. (a) Classification: The Authority shall classify and define landing areas in such manner as will best serve the interests of air commerce.

(b) Designation of airways: The Authority is directed and empowered to designate the landing areas on each civil airway.

(c) Intermediate landing areas: The Authority is authorized to acquire or lease lands for use as landing areas along civil airways intermediate to landing areas regularly used for receiving or discharging passengers and cargo; and to provide for the preparation, alteration, maintenance, and operation of such intermediate landing areas for safe use thereof in air commerce.

(d) Qualifications for designation of other landing areas on airways: The Authority shall not designate, on an airway, a landing area other than an intermediate landing area unless it finds that such landing area is adequate and safe for use in air commerce. Any interested person may apply to the Authority, under regulations prescribed by it, for determination of the qualifications of any landing area on an airway.

The amendment was agreed to.

The next amendment was, on page 29, line 4, after the word "establish", to insert "operate and maintain"; in the same line, after the word "all", to insert "civil"; in line 8, after the word "commerce", to strike out "or air transportation, and to provide for the maintenance and operations thereof"; in line 13, after the word "will", to strike out "improve," and insert "improve", and in line 14, after the word "commerce", to strike out "or air transportation", so as to read:

AIR NAVIGATION FACILITIES

SEC. 304. (a) Establishment on Federal airways and landing areas: The Authority is directed and empowered to establish, operate, and maintain along all civil airways designated and established by it, and at all landing areas acquired or leased by it, all necessary air navigation facilities used in, or intended to be used in, air commerce.

(b) Establishment on other landing areas: The Authority may establish and maintain or operate any such facility at landing areas not acquired or leased by it, whenever such action is necessary for, or will improve safety in air commerce.

(c) Public use of other Federal facilities: Air navigation facilities owned or operated by other agencies of the United States may be made available for public use whenever and to such extent as the head of such agency deems advisable and may by regulation prescribe.

(d) Rating of privately owned facilities: The Authority may inspect, classify, and rate all air navigation facilities established, maintained, and operated by others as to their suitability for safe use by aircraft in air commerce or air transportation.

The amendment was agreed to.

The next amendment was, on page 30, line 4, after the word "expended" to insert "other than for military purposes"; in line 13, after the word "commerce", to strike out "or air transportation", and in line 20, after the word "person", to insert "There shall be no exclusive right for the use of any landing area or air navigation facility upon which Federal funds have been expended", so as to read:

EXPENDITURE OF FEDERAL FUNDS

SEC. 305. (a) Duties of Authority: No Federal funds, other than those expended by the Authority, shall be expended, other than for military purposes (whether or not in cooperation with State or other local governmental agencies), for the establishment, construction, alteration, repair, maintenance, or operation of any landing area, or for the establishment, construction, maintenance, or operation of air navigation facilities thereon, except upon written recommendation by the Authority and certification by it that such landing area, or facility is adequate and safe for the purposes for which it is designed or intended to be used and is reasonably necessary for use in air commerce or in the interests of national defense. Any interested person may apply to the Authority, under regulations prescribed by it, for such recommendation and certification with respect to any landing area or air navigation facility proposed to be established, constructed, altered, repaired, maintained, or operated by, or in the interests of, such person. There shall be no exclusive right for the use of any landing area or air navigation facility upon which Federal funds have been expended.

(b) Authority to report on national plan: The Authority is directed and empowered to make an investigation, including field surveys, and report to Congress as soon as practicable, but not later than January 15, 1940, its views as a result of such investigation concerning (1) a national plan and program for the construction, improvement, development, operation, and maintenance of a national public system of airways, landing areas, and air navigation facilities adequate for national needs; (2) the joint financing of such plan and program by local, State, and Federal governments; and (3) the legislation, local, State, or Federal, which in its opinion is necessary to effectuate such plan, program, and joint financing.

The amendment was agreed to.

The next amendment was, on page 31, after line 10, to strike out:

EXCLUSIVE USE PROHIBITED

SEC. 306. The Authority shall grant no exclusive right for the use of any airway or air navigation facility established by it or of any landing area acquired or leased by it; and there shall be no exclusive right for the use of (1) any airway approved by the Authority or (2) any landing area designated, or any air navigation facility rated, by the Authority for use in air commerce or air transportation, or determined by the Authority to be qualified for Federal funds.

The amendment was agreed to.

The next amendment was, on page 31, line 21, to strike out "Regulations" and insert "Regulation", so as to make the heading read:

Title IV—Air carrier economic regulation.

Mr. McCARRAN. Mr. President, I do not wish to be captious with the committee, but under title IV the reference is to "regulations," and I do not see why the singular form has been used in this instance.

Mr. COPELAND. Mr. President, I hope the Senate will reject the amendment.

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

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment was, under the subhead "Certificate of public convenience and necessity", on page 33, line 5, before the word "The", to insert "(1)"; and in line 13, after the word "denied", to strike out the colon and the following proviso: "*Provided*, That if the Authority shall find that such transportation is not presently required by the public convenience and necessity but is likely to be required in the near future, it may issue a certificate for a limited period", so as to read:

(d) Issuance of certificate: (1) The Authority shall issue a certificate authorizing the whole or any part of the transportation covered by the application, if it finds that the applicant is fit, willing, and able to perform such transportation properly and safely, and to conform to the provisions of this act and the rules, regulations, and requirements of the Authority hereunder, and that such transportation is required by the public convenience and necessity; otherwise such application shall be denied.

The amendment was agreed to.

The next amendment was, on page 33, after line 17, to insert:

(2) In the case of an application for a certificate to engage in temporary air transportation, the Authority may issue a certificate authorizing the whole or any part thereof for such limited periods as may be required by the public convenience and necessity, if it finds that the applicant is fit, willing, and able properly to perform such transportation and to conform to the provisions of this act and the rules, regulations, and requirements of the Authority hereunder.

The amendment was agreed to.

The next amendment was, on page 34, line 21, after the word "require" and the period, to strike out "A certificate issued under this section to engage in foreign air transportation shall designate the terminal and intermediate points

only insofar as the operation is to take place within the United States, and otherwise shall designate only the general trade route or routes to be followed." and insert "A certificate issued under this section to engage in foreign air transportation shall, insofar, as the operation is to take place without the United States, designate the terminal and intermediate points only insofar as the authority shall deem practicable, and otherwise shall designate only the general route or routes to be followed."; in line 18, after the word "charter", to strike out "or special", and in the same line, after the word "trips", to insert "or perform any other special service"; so as to read:

(f) Terms and conditions of certificate: Each certificate issued under this section shall specify the terminal and intermediate points between which the air carrier is authorized to engage in air transportation and the service to be rendered; and there shall be attached to the exercise of the privileges granted by the certificate, or amendment thereto, such reasonable terms, conditions, and limitations as the public interest may require. No term, condition, or limitation of a certificate shall restrict the right of an air carrier to add to or change schedules, equipment, accommodations, and facilities for performing the authorized transportation and service as the development of business and the demands of the public shall require. No air carrier shall be deemed to have violated its certificate or any term, condition, or limitation hereof by landing or take-off during an emergency at a point not named in its certificate or by operating in an emergency, under regulations which may be prescribed by the Authority, between points other than those specified in its certificate. Any air carrier may make charter trips or perform any other special service without regard to the points named in its certificate, under regulations prescribed by the Authority.

The amendment was agreed to.

The next amendment was, on page 35, line 25, after the word *"Provided"*, to strike out "or until its expiration, if issued for a limited time", and on page 36, line 2, after the word "ceased", to insert a comma and "or, if issued for a limited period of time under subsection (d) (2) of this section, shall continue in effect until the expiration thereof, unless, prior to the date of expiration, such certificate shall be suspended or revoked as provided herein, or the Authority shall certify that operations thereunder have ceased: *Provided,"* so as to read:

(g) Effective date and duration of certificate: Each certificate shall be effective from the date specified therein, and shall continue in effect until suspended or revoked as hereinafter provided, or until the Authority shall certify that operation thereunder has ceased, or, if issued for a limited period of time under subsection (d) (2) of this section, shall continue in effect until the expiration thereof, unless, prior to the date of expiration, such certificate shall be suspended or revoked as provided herein, or the Authority shall certify that operations thereunder have ceased: *Provided,* That if any service authorized by a certificate is not inaugurated within, or is not operated for, a period of 90 days or such other period as may be designated by the Authority, the Authority may by order, entered after notice and hearing, direct that such certificate shall thereupon cease to be effective to the extent of such service.

The amendment was agreed to.

The next amendment was, on page 37, line 15, after the word "Abandonment", to strike out "Any air carrier may file an application for authority to abandon any operation, in whole or in part, for which a certificate has been issued by the authority, and after notice and hearing, the authority may authorize such abandonment as it finds to be in the public interest. Any interested person may file with the authority a protest or memorandum in support of or in opposition to any such abandonment. The authority may authorize such temporary suspension of service as may be in the public interest" and insert "No air carrier shall abandon any route, or part thereof, for which a certificate has been issued by the authority, unless, upon the application of such air carrier, after notice and hearing, the authority shall find such abandonment to be in the public interest. Any interested person may file with the authority a protest or memorandum of opposition to any such abandonment. The authority may, by regulations or otherwise, authorize such temporary suspension of service as may be in the public interest", so as to read:

(k) Application for abandonment: No air carrier shall abandon any route, or part thereof, for which a certificate has been issued by the Authority, unless, upon the application of such air carrier, after notice and hearing, the Authority shall find such abandonment to be in the public interest. Any interested person may file with the Authority a protest or memorandum of opposition to any such abandonment. The Authority may, by regulations or otherwise, authorize such temporary suspension of service as may be in the public interest.

The amendment was agreed to.

The next amendment was, on page 40, line 14, after the word "mail", to strike out "under" and insert "authorized in", so as to read:

(n) Application for new mail service: Whenever, from time to time, the Postmaster General shall find that the needs of the Postal Service require the transportation of mail by aircraft between any points within the United States or between the United States and foreign countries, in addition to the transportation of mail authorized in certificates then currently effective, the Postmaster General shall certify such finding to the Authority and file therewith a statement showing such additional service and the facilities necessary in connection therewith, and a copy of such certification and statement shall be posted for at least 20 days in the office of the secretary of the Authority. The Authority shall, upon application and after notice and hearing, and if found by it to be in the interest of public convenience and necessity, make provision for such additional service, and the facilities necessary in connection therewith, by issuing a new certificate or certificates or by amending an existing certificate or certificates in accordance with the provisions of this section.

The amendment was agreed to.

The next amendment was, on page 41, line 3, after the word "to", to insert "foreign"; in the same line, after the word "carriers", to strike out "of foreign countries"; in line 5, after the word "no", to insert "foreign"; and in line 6, after the word "carrier", to strike out "not a citizen of the United States", so as to read:

PERMITS TO FOREIGN AIR CARRIERS

SEC. 402. (a) Permit required: No foreign air carrier shall engage in air transportation between the United States and any foreign country unless there is in force a permit issued by the Authority authorizing such carrier so to engage.

(b) Issuance of permit: The Authority is empowered to issue such a permit if it finds that such carrier is fit, willing, and able properly to perform such air transportation and to conform to the provisions of this act and the rules, regulations, and requirements of the Authority hereunder, and that such transportation will be in the public interest.

(c) Existing permits: Any such carrier who holds a permit issued by the Secretary of Commerce under section 6 of the Air Commerce Act of 1926, as amended, which was in effect on December 1, 1937, and which authorizes such carrier to operate between any foreign country and the United States, shall be entitled to receive a permit under this section upon proof of that fact only.

(d) Application for permit: Application for a permit shall be made in writing to the Authority, shall be so verified, shall be in such form and contain such information, and shall be accompanied by such proof of service upon such interested persons, as the Authority shall by regulation require.

(e) Notice of application: Upon the filing of an application for a permit the Authority shall give due notice thereof to the public by posting a notice of such application in the office of the secretary of the Authority and to such other persons as the Authority may by regulation determine. Any interested person may file with the Authority a protest or memorandum of opposition to the issuance of a permit. Such application shall be set for public hearing and the Authority shall dispose of such applications as speedily as possible.

(f) Terms and conditions of permit: The Authority may prescribe the duration of any permit and may attach to such permit such reasonable terms, conditions, or limitations as, in its judgment, the public interest may require.

(g) Authority to modify, suspend, or revoke: Any permit issued under the provisions of this section may, after notice and hearing, be altered, modified, amended, suspended, canceled, or revoked by the Authority whenever it finds such action to be in the public interest. Any interested person may file with the Authority a protest or memorandum in support of or in opposition to the alteration, modification, amendment, suspension, cancelation, or revocation of a permit.

(h) Transfer of permit: No permit may be transferred unless such transfer is approved by the Authority as being in the public interest.

The amendment was agreed to.

The next amendment was, under the subhead "Tariffs of Air Carriers", on page 43, line 8, after the word "carrier", to insert "and foreign air carrier"; in line 24, after the word "but", to strike out "tariffs of air carriers engaged in overseas and foreign air transportation"; on page 44, line 2, after

the word "may", to insert "in the case of foreign air transportation,", and in line 4, afer the word "carrier", to insert "or foreign air carrier"; so as to read:

TARIFFS OF AIR CARRIERS

SEC. 403. (a) Filing of tariffs required: Every air carrier and foreign air carrier shall file with the Authority, and print, and keep open to public inspection, tariffs showing all rates, fares, and charges for air transportation between points served by it, and between points served by it and points served by any other air carrier when through service and through rates shall have been established, and showing to the extent required by regulations of the Authority, all classifications, rules, regulations, practices, and services in connection with such air transportation. Tariffs shall be filed, posted, and published in such form and manner, and shall contain such information, as the Authority shall by regulation prescribe; and the Authority is empowered to reject any tariff so filed which is not consistent with this section and such regulations. Any tariff so rejected shall be void. The rates, fares, and charges shown in any tariff shall be stated in terms of lawful money of the United States, but may also state rates, fares, and charges in terms of currencies other than lawful money of the United States, and may, in the case of foreign air transportation, contain such information as may be required under the laws of any country in or to which such air carrier or foreign air carrier is authorized to operate.

The amendment was agreed to.

The next amendment was, on page 44, line 7, after the word "carrier", to insert "or foreign air carrier"; in line 12, before the word "shall", to insert "or foreign air carrier"; in line 18, after the word "specified", to strike out "therein: *Provided*, That nothing" and insert "therein. Nothing"; in line 19, after the word "carriers", to insert "or foreign air carriers"; in line 24, after the word "families", to insert "for travel on business of any such carrier", and on page 45, line 8, after the word "prescribe", to strike out "As used in this subsection, 'employees' shall include furloughed, pensioned, and superannuated ex-employees; persons who have become disabled or infirm in the service of any such air carrier; and prospective employees traveling for the purpose of entering the service of any such air carrier; and 'families' shall include the immediate families of persons killed, and widows during widowhood, and minor children during minority, of persons who died, while in the service of any such air carrier", so as to read:

(b) Observance of tariffs; rebating prohibited: No air carrier or foreign air carrier shall charge or demand or collect or receive a greater or less or different compensation for air transportation, or for any service in connection therewith, than the rates, fares, and charges specified in its currently effective tariffs; and no air carrier or foreign air carrier shall, in any manner or by any device, directly or indirectly, or through any agent or broker, or otherwise, refund or remit any portion of the rates, fares, or charges so specified, or extend to any person any privileges or facilities, with respect to matters required by the Authority to be specified in such tariffs, except those specified therein. Nothing in this act shall prohibit such air carriers or foreign air carriers, under such terms and conditions as the Authority may prescribe, from issuing or interchanging tickets or passes for free or reduced-rate transportation to their directors, officers, and employees and their immediate families for travel on business of any such carrier; witnesses and attorneys attending any legal investigation in which any such air carrier is interested; persons injured in aircraft accidents and physicians and nurses attending such persons; and any person or property with the object of providing relief in cases of general epidemic, pestilence, or other calamitous visitation; and, in the case of overseas or foreign air transportation, to such other persons and under such other circumstances as the Authority may by regulations prescribe.

The amendment was agreed to.

The next amendment was, on page 45, line 21, after the word "carrier", to insert "or foreign air carrier", and on page 46, line 1, after the word "may", to insert "in the public interest", so as to read:

(c) Notice of tariff change: No change shall be made in any rate, fare, or charge, or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, specified in any effective tariff of any air carrier or foreign air carrier, except after 30 days' notice of the proposed change filed, posted, and published in accordance with subsection (a) of this section. Such notice shall plainly state the change proposed to be made and the time such change will take effect. The Authority may in the public interest, by regulation or otherwise, allow such change upon notice less than that herein specified, or modify the requirements of this section with respect to filing and posting of tariffs, either in particular instances or by general order applicable to special or peculiar circumstances or conditions.

The amendment was agreed to.

The next amendment was, on page 46, line 8, after the word "carrier", to insert "or foreign air carrier"; in line 11, after the word "charges", to insert "for air transportation"; and in line 12, after the word "carrier", to insert "or foreign air carrier", so as to read:

(d) Filing of divisions of rates and charges required: Every air carrier or foreign air carrier shall keep currently on file with the Authority, if the Authority so requires, the established divisions of all joint rates, fares, and charges for air transportation in which such air carrier or foreign air carrier participates.

The amendment was agreed to.

The next amendment was, on page 46, line 25, after the word "relating", to strike out "thereto" and insert "to such air transportation"; on page 47, line 5, after the word "carrier", to insert "or foreign air carrier"; and in line 15, after the word "Congress", to insert "within 1 year from the effective date of this section", so as to read:

RATES FOR CARRIAGE OF PERSONS AND PROPERTY

SEC. 404. (a) Carrier's duty to provide service, rates, and divisions: It shall be the duty of every air carrier to provide and furnish interstate and overseas air transportation, as authorized by its certificate, upon reasonable request therefor and to provide reasonable through service in such air transportation in connection with other air carriers; to provide safe and adequate service, equipment, and facilities in connection with such transportation; to establish, observe, and enforce just and reasonable individual and joint rates, fares, and charges, and just and reasonable classifications, rules, regulations, and practices relating to such air transportation; and, in case of such joint rates, fares, and charges, to establish just, reasonable, and equitable divisions thereof as between air carriers participating therein which shall not unduly prefer or prejudice any of such participating air carriers.

(b) Discrimination: No air carrier or foreign air carrier shall make, give, or cause any undue or unreasonable preference or advantage to any particular person, port, locality, or description of traffic in air transportation in any respect whatsoever or subject any particular person, port, locality, or description of traffic in air transportation to any unjust discrimination or any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

(c) Foreign rate study: The Authority is empowered and directed to investigate and report to the Congress within 1 year from the effective date of this section, to what extent, if any, the Federal Government should further regulate the rates, fares, and charges of air carriers engaged in foreign air transportation, and the classifications, rules, regulations, and practices affecting such rates, fares, or charges.

The amendment was agreed to.

The next amendment was, under the subhead "Transportation of mail", on page 49, line 6, after the word "provided", to strike out "by the" and insert "in subsection (a) of section 401 of this act," and in line 8, after the word "application", to insert a comma and "or where a determination by the Authority that a certificate should not be issued", so as to read:

(b) Continuation and termination of foreign mail contracts: Each contract between the United States and any person heretofore entered into under the provisions of the act of March 8, 1928, as amended (45 Stat. 248), shall be continued in effect until canceled in accordance with this subsection. Each such contract shall be canceled upon the issuance of a certificate of public convenience and necessity to the holder of such contract authorizing transportation between the points covered by such contract, or upon the effective date of any order of the Authority hereunder fixing a fair and reasonable rate of compensation for the transportation of mail by aircraft between the points covered by such contract, whichever is later, or upon the failure of the holder of such contract to apply for such certificate within the period provided in subsection (a) of section 401 of this act for the filing of such application, or where a determination by the Authority that a certificate should not be issued.

The amendment was agreed to.

The next amendment was, on page 50, line 12, after the word "aircraft", to strike out "Each air carrier shall file with the Authority and the Postmaster General a schedule setting forth the points to and from which such air carrier operates aircraft and the time of arrival and departure at each such point of every aircraft operated by such air carrier. No such

schedule, other than the initial schedule filed by any air carrier, shall become effective until 10 days after the date upon which such schedule is filed. The Postmaster General may designate any such schedule for the transportation of mail, and may, by order, (1) alter, amend, or modify any such schedule with respect to the stops or the time of departure or arrival of any such aircraft, or (2) require the establishment of additional schedules. No such order shall become effective until 10 days after its issuance. Any person who would be aggrieved by any such order of the Postmaster General under this subsection may, before the expiration of such 10-day period, apply to the Authority, under such regulations as it may prescribe, for a review of such order. The Authority may review, and, if the public interest so requires, amend, revise, or cancel such order; and, pending such review and the determination thereof, may postpone the effective date of such order. The Authority shall give preference to proceedings under this subsection over all proceedings pending before it" and insert "Every air carrier shall file with the Authority and the Postmaster General a schedule setting forth the points to and from which such air carrier transports mail and the time of arrival and departure at each such point of every aircraft transporting mail operated by such air carrier. No such schedule, other than the initial schedule filed by any air carrier, shall become effective until 10 days after the date upon which such schedule is filed. The Postmaster General may, by order, alter, amend, or modify any such schedule with respect to the stops or the time of departure or arrival of any such aircraft. No such order shall become effective until 10 days after its issuance. Any person who would be aggrieved by any such order of the Postmaster General under this subsection may, before the expiration of such 10-day period, apply to the Authority, under such regulations as it may prescribe, for a review of such order. The Authority may review, and, if the public interest so requires, amend, revise, or revoke such order; and, pending such review and the determination thereof, may further postpone the effective date of such order. The Authority shall give preference to proceedings under this subsection over all proceedings pending before it. No air carrier shall transport mail in accordance with a schedule other than its currently effective schedule filed with the Authority and the Postmaster General as provided in this section", and on page 52, line 13, after the word "to", to strike out "transport mail" and insert "furnish facilities for the transportation of, and to transport mail in excess of the maximum load whenever required by the Postmaster General", so as to read:

(d) Transportation of mail in general; filing of schedules; maximum mail load: The Postmaster General is authorized to make such rules and regulations, not inconsistent with the provisions of this act, or any order, rule, or regulation made by the Authority thereunder, as may be necessary for the safe and expeditious carriage of the United States mail by aircraft. Every air carrier shall file with the Authority and the Postmaster General a schedule setting forth the points to and from which such air carrier transports mail and the time of arrival and departure at each such point of every aircraft transporting mail operated by such air carrier. No such schedule, other than the initial schedule filed by any air carrier, shall become effective until 10 days after the date upon which such schedule is filed. The Postmaster General may, by order, alter, amend, or modify any such schedule with respect to the stops or the time of departure or arrival of any such aircraft. No such order shall become effective until 10 days after its issuance. Any person who would be aggrieved by any such order of the Postmaster General under this subsection may, before the expiration of such 10-day period, apply to the Authority, under such regulations as it may prescribe, for a review of such order. The Authority may review, and, if the public interest so requires, amend, revise, or revoke such order; and, pending such review and the determination thereof, may further postpone the effective date of such order. The Authority shall give preference to proceedings under this subsection over all proceedings pending before it. No air carrier shall transport mail in accordance with a schedule other than its currently effective schedule filed with the Authority and the Postmaster General as provided in this section. The Authority may fix the maximum mail load for any schedule or for any aircraft or any type of aircraft, but no air carrier shall thereby be relieved of its responsibility to furnish facilities for the transportation of, and to transport mail in excess of the maximum load whenever required by the Postmaster General.

The amendment was agreed to.

The next amendment was, on page 52, after line 15, to insert:

(e) Tender of mail: From and after the issuance of any certificate authorizing the transportation of mail by aircraft, the Postmaster General shall tender mail to the holder thereof to the extent required by the Postal Service for transportation between the points named in such certificate for the transportation of mail, and such mail shall be transported by the air carrier holding such certificate in accordance with such rules, regulations, and requirements as may be promulgated by the Postmaster General under this section.

The amendment was agreed to.

The next amendment was, on page 53, at the beginning of line 1, to strike out "(e)" and insert "(f)", and in line 12, after the word "such", to strike out "air carrier" and insert "person", so as to read:

(f) Foreign postal arrangements: (1) Nothing in this act shall be deemed to abrogate or affect any arrangement made by the United States with the postal administration of any foreign country with respect to transportation of mail by aircraft or to impair the authority of the Postmaster General to enter into any such arrangement with the postal administration of any foreign country.

(2) The Postmaster General may, in any case where service may be necessary by an air carrier not a citizen of the United States that may not be obligated to transport the mail for a foreign country, make arrangements, without advertising, with such person for transporting mail to or within any foreign country.

The amendment was agreed to.

The next amendment was, on page 55, at the beginning of line 19, to strike out "(h)" and insert "(i)", and on page 56, line 6, before the word "air", to strike out "air commerce or", so as to read:

(i) Emergency mail service: In the event of emergency caused by flood, fire, or other calamitous visitation, the Postmaster General is authorized to contract, without advertising, for the transportation by aircraft of any or all classes of mail to or from localities affected by such calamity, where available facilities of persons authorized to transport mail to or from such localities are inadequate to meet the requirements of the Postal Service during such emergency. Such contracts may be only for such periods as may be necessitated for the maintenance of mail service by the inadequacy of such other facilities. No operation pursuant to any such contract for such period shall be air transportation within the purview of this act. Payment of compensation for service performed under such contracts shall be made, at rates provided in such contracts, from appropriations for the transportation of mail by the means normally used for transporting the mail transported under such contracts.

The amendment was agreed to.

The next amendment was, under the subhead "Rates for transportation of mail", on page 56, line 18, after the word "transportation", to strike out "by air carrier", and in line 24, after the word "operation)," to strike out "under this title" and insert "by each holder of a certificate authorizing the transportation of mail by aircraft", so as to read:

SEC. 406. (a) Authority to fix rates: The Authority is empowered and directed, upon its own initiative or upon petition of the Postmaster General or an air carrier, (1) to fix and determine from time to time, after notice and hearing, the fair and reasonable rates of compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith (including the transportation of mail by an air carrier by other means than aircraft whenever such transportation is incidental to the transportation of mail by aircraft or is made necessary by conditions of emergency arising from aircraft operation) by each holder of a certificate authorizing the transportation of mail by aircraft, and to make such rates effective from such date as it shall determine to be proper; (2) to prescribe the method or methods, by aircraft-mile, pound-mile, weight, space, or any combination thereof, or otherwise, for ascertaining such rates of compensation for each air carrier or class of air carriers; and (3) to publish the same; and the rates so fixed and determined shall be paid by the Postmaster General from appropriations for the transportation of mail by aircraft.

The amendment was agreed to.

The next amendment was, on page 60, line 13, before the word "Audits", to strike out "Annual"; and on page 61, line 10, after the word "carriers", to strike out the comma and "and whether, in the public interest, the Government should extend direct or indirect financial aid to air carriers or others assisting in air transportation; and shall advise the Congress concerning any additional legislation which, in its opinion, may be necessary or desirable, including recom-

mendations as to the form of, and the method of distributing, any financial aid", so as to read:

AUDITS; UNIFORM MAIL RATE

SEC. 407. The Authority shall make, at least annually, such audits, investigations, and studies of the books, records, accounts, contracts, equipment, facilities, and operations of each air carrier as may be necessary to enable it to determine whether any such air carrier is deriving or is likely to derive any unreasonable profit from rates, fares, and charges for all classes of traffic maintained by such air carrier. In determining whether any profit is unreasonable, the Authority shall not deem itself bound to establish a standard rate of return for all air carriers or groups of air carriers, and shall take into consideration the policy declared in this act, the necessity of providing and maintaining equipment which will permit of the highest degree of safety in operation, and the practices of each air carrier in respect of economies and efficiency in operation and reinvestment of earnings in the development of its operations in the public interest. From information regularly obtained, and from such other special investigations and studies as are necessary, the Authority shall report to the Congress from time to time the effect of establishing a uniform rate for the transportation of mail by aircraft, either for carriers as a whole or for classes of carriers.

The amendment was agreed to.

The next amendment was, under the subhead "Accounts, records, and reports", on page 62, line 20, before the word "any", to strike out "carrier or" and insert "carrier"; in the same line, after the word "of", to strike out "civil"; in line 21, after the word "aeronautics", to insert "or any common carrier"; in line 23, after the word "air", to strike out "carriers or" and insert "carriers"; in line 24, after the word "of", to strike out "civil", and in the same line, after the word "aeronautics", to insert a comma and "or common carriers", so as to read:

(c) Disclosure of stock ownership by officer or director: Each officer and director of an air carrier shall annually and at such other times as the Authority shall require transmit to the Authority a report describing the shares of stock or other interests held by him in any air carrier, any person engaged in any phase of aeronautics, or any common carrier, and in any person whose principal business, in purpose or in fact, is the holding of stock in, or control of, air carriers, other persons engaged in any phase of aeronautics, or common carriers.

The amendment was agreed to.

The next amendment was, on page 64, line 2, after the word "over", to strike out the comma and "or affiliated with", and in line 3, after the word "carrier", to insert a comma and "or affiliated with any air carrier within the meaning of section 5 (8) of the Interstate Commerce Act, as amended", so as to read:

(e) Inspection of accounts and property: The Authority shall at all times have access to all lands, buildings, and equipment of any air carrier and to all accounts, records, and memoranda, including all documents, papers, and correspondence, now or hereafter existing, and kept or required to be kept by air carriers; and it may employ special agents or auditors, who shall have authority under the orders of the Authority to inspect and examine any and all such lands, buildings, equipment, accounts, records, and memoranda. The provisions of this section shall apply, to the extent found by the Authority to be reasonably necessary for the administration of this act, to persons having control over any air carrier, or affiliated with any air carrier within the meaning of section 5 (8) of the Interstate Commerce Act, as amended.

The amendment was agreed to.

The next amendment was, on page 64, line 14, after the word "Thereafter", to strike out "the", and in the same line, after the word "carriers", to strike out "subject to this title", so as to read:

(f) Depreciation charges: The Authority shall, as soon as practicable, prescribe for air carriers the classes of property for which depreciation charges may properly be included under operating expenses and the rate of depreciation which shall be charged with respect to each of such classes of property, classifying the air carriers as it may deem proper for this purpose; and the Authority may, when it deems necessary, modify the classes and rates so prescribed. Thereafter air carriers shall not charge to operating expenses any depreciation on classes of property other than those prescribed by the Authority, or charge with respect to any class of property a rate of depreciation other than that prescribed therefor by the Authority. No such air carrier shall in any case include in any form under its operating or other expenses any depreciation or other charge or expenditure included elsewhere as a depreciation charge or otherwise under its operating or other expenses. The Authority may also prescribe rules and regulations concerning the manner in which depreciation reserves shall be accrued and expended.

The amendment was agreed to.

The next amendment was, at the top of page 65, to insert:

(g) Objection to disclosure of information: Any person may make written objection to the public disclosure of information contained in any application, report, or document filed pursuant to the provisions of this act or of information obtained by the Authority or the Air Safety Board pursuant to the provisions of this act, stating the grounds for such objection. Whenever such objection is made, the Authority or the Air Safety Board, as the case may be, shall withhold such information from public disclosure when, in its judgment, a disclosure of such information would adversely affect the interests of such person and is not required in the interest of the public.

The amendment was agreed to.

The next amendment was, under the subhead "Consolidation, Merger, and Acquisition of Control", on page 65, line 24, after the word "carrier", to insert "or person controlling an air carrier"; on page 66, line 4, after the word "carrier", to insert "or person controlling an air carrier"; in line 9, afte the word "any", to insert "foreign"; in the same line, after the word "carrier", to strike out "not a citizen of the United States" and insert "or person controlling a foreign air carrier"; in line 14, after the word "carrier", to insert "or person controlling an air carrier"; so as to read:

SEC. 409. (a) ACTS PROHIBITED.—It shall be unlawful, unless approved by order of the Authority as provided in this section—

(1) For two or more air carriers, or for any air carrier and any other common carrier or any person engaged in any other phase of aeronautics to consolidate or merge their properties, or any part thereof, into one person for the ownership, management, or operation of the properties theretofore in separate ownerships;

(2) For any air carrier or person controlling an air carrier, any other common carrier or any person engaged in any other phase of aeronautics, to purchase, lease, or contract to operate the properties, or any substantial part thereof, of any air carrier;

(3) For any air carrier or person controlling an air carrier to puchase, lease, or contract to operate the properties, or any substantial part thereof, of any person engaged in any phase of aeronautics otherwise than as an air carrier;

(4) For any foreign air carrier or person controlling a foreign air carrier to acquire control, in any manner whatsoever, of any citizen of the United States engaged in any phase of aeronautics;

(5) For any air carrier or person controlling an air carrier, any other common carrier, or any person engaged in any other phase of aeronautics, to acquire control of any air carrier in any manner whatsoever;

(6) For any air carrier or person controlling an air carrier to acquire control, in any manner whatsoever, of any person engaged in any phase of aeronautics otherwise than as an air carrier; or

(7) For any person to continue to maintain any relationship established in violation of any of the foregoing subdivisions of this subsection.

The amendment was agreed to.

The next amendment was, on page 69, line 22, after the word "aeronautics", to strike out "or"; in line 25, after the word "aeronautics", to insert "or (d) in any common carrier"; on page 70, line 1, after the word "carrier", to insert "knowingly and willfully"; and in line 8, after the word "such", to insert "air", so as to read:

INTERLOCKING DIRECTORATES

SEC. 410. After 180 days after the effective date of this section, it shall be unlawful—

(1) for any person who holds the position of officer or director of any air carrier to hold the position of officer, director, stockholder, or member, either directly or through a representative or a nominee or otherwise, (a) in any other air carrier, (b) in any other person engaged in any phase of aeronautics, (c) in any other person whose principal business, in purpose or in fact, is the holding of stock in, or control of, any person engaged in any phase of aeronautics, or (d) in any common carrier or (2) for an air carrier knowingly and willfully to have and retain any such person as an officer or director—

unless such holding shall have been authorized by the Authority, upon due showing in form and manner prescribed by it, that the public interest will not be adversely affected thereby. After this section takes effect it shall be unlawful for any officer or director of any such air carrier to receive for his own benefit, directly or indirectly, any money or thing of value in respect of negotiation, hypothecation, or sale of any securities issued or to be issued by such carrier, or to share in any of the proceeds thereof.

The amendment was agreed to.

The next amendment was, on page 71, line 21, before the word "Competition", to strike out "Unfair" and insert "Methods of"; in line 23, after the word "carrier", to insert "or foreign air carrier"; on page 72, line 1, after the word "carrier", to insert "or foreign air carrier"; in line 4, after the word "carrier", to insert "or foreign air carrier"; and in line 7, before the word "to", to insert "or foreign air carrier", so as to read:

METHODS OF COMPETITION

SEC. 412. The Authority may, upon its own initiative or upon complaint by any air carrier or foreign air carrier, if it considers that such action by it would be in the interest of the public, investigate and determine whether any air carrier or foreign air carrier has been or is engaged in unfair or deceptive practices or unfair methods of competition in air transportation. If the Authority shall find, after notice and hearing, that such air carrier or foreign air carrier is engaged in such unfair or deceptive practices or unfair methods of competition, it shall order such air carrier or foreign air carrier to cease and desist from such practices or methods of competition.

The amendment was agreed to.

The next amendment was, on page 72, line 12, after the word "every", to strike out "contract, agreement, understanding, or agreement" and insert "contract or agreement"; in line 19, before the word "air", to strike out "an" and insert "a foreign"; in the same line, after the word "carrier", to strike out "not a citizen of the United States"; on page 73, line 6, after the word "such", to strike out "contract, agreement, understanding, or arrangement," and insert "contract or agreement", and in line 10, after the word "such", to strike out "contract, agreement, understanding, or arrangement" and insert "contract or agreement", so as to read:

POOLING AND OTHER AGREEMENTS

SEC. 413. (a) Filing of agreements required: Every air carrier shall file with the Authority a true copy, or, if oral, a true and complete memorandum, of every contract or agreement (whether enforceable by provisions for liquidated damages, penalties, bonds, or otherwise) affecting air transportation and in force on the effective date of this section or hereafter entered into, or any modification or cancelation thereof, between such air carrier and any other air carrier (including a foreign air carrier), and any other common carrier for pooling or apportioning earnings, losses, traffic, service, or equipment, or relating to the establishment of transportation rates, fares, charges, or classifications, or for preserving and improving safety, economy, and efficiency of operation, or for controlling, regulating, preventing, or otherwise eliminating destructive, oppressive, or wasteful competition, or for regulating stops, schedules, and character of service, or for other cooperative working arrangements.

(b) Approval by Authority: The Authority shall by order disapprove any such contract or agreement whether or not previously approved by it, that it finds to be adverse to the public interest, or in violation of this act, and otherwise shall by order approve any such contract or agreement and any modification or cancelation thereof.

The amendment was agreed to.

The next amendment was, on page 73, line 17, to strike out the subhead "Exemption from antitrust laws" and in lieu thereof to insert "Legal restraints", and in line 19, after the word "under", to strike out "this title" and insert "sections 409, 410, or 413 of this act", so as to read:

LEGAL RESTRAINTS

SEC. 415. Any person affected by any order made under sections 409, 410, or 413 of this act shall be, and is hereby, relieved from the operations 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, and of all other restraints or prohibitions made by, or imposed under, authority of law, insofar as may be necessary to enable such person to do anything authorized, approved, or required by such order.

The amendment was agreed to.

The next amendment was, on page 75, line 2, after the word "carriers", to strike out "not engaged in scheduled air transportation or in the transportation of mail by aircraft", so as to read:

CLASSIFICATION AND EXEMPTION OF CARRIERS

SEC. 417. (a) Classification: The Authority may from time to time establish such just and reasonable classifications or groups of air carriers for the purposes of this title as the nature of the services performed by such air carriers shall require; and such just and reasonable rules, regulations, and requirements, pursuant to and consistent with the provisions of this title, to be observed by each such class or group, as the Authority finds necessary in the public interest.

(b) Exemption: The Authority, from time to time and to the extent necessary, may exempt from the requirements of this title or any provision thereof, or any rule, regulation, term, condition, or limitation prescribed thereunder, any air carrier or class of air carriers if it finds that the enforcement of this title or such provision, or such rule, regulation, term, condition, or limitation, is or would be an undue burden on such air carrier or class of air carriers by reason of unusual circumstances affecting the operations of such air carrier or class of air carriers and is not in the public interest.

The amendment was agreed to.

The next amendment was, under the heading "Title V—Nationality and ownership of aircraft", on page 75, line 14, after the word "operate", to strike out "within the United States (as defined in this act) or in foreign air transportation" and insert "or navigate"; in line 19, after the word "operate", to insert "or navigate within the United States"; in line 20, after the word "registration", to insert a colon and the following proviso: "*Provided*, That aircraft of the national-defense forces of the United States may be operated and navigated without being so registered if such aircraft are identified, by the agency having jurisdiction over them, in a manner satisfactory to the Authority. The Authority may, by regulation, permit the operation and navigation of aircraft without registration by the owner for such reasonable periods after transfer of ownership thereof as the Authority may prescribe"; on page 76, line 12, after the word "thereof", to strike out the comma and "other than in the carrying of persons or property for commercial purposes, or in military or naval service"; after line 24, to strike out:

(f) Transfer: Any such certificate may be transferred with the approval of the Authority, and, pending such transfer or the issuance of a new certificate, the Authority may, by regulation, permit the operation of the aircraft without registration by the owner for such reasonable periods after transfer of ownership thereof as the Authority may prescribe.

And on page 78, at the beginning of line 6, to strike out "(g)" and insert "(f)", so as to read:

REGISTRATION OF AIRCRAFT NATIONALITY

SEC. 501. (a) Registration required: It shall be unlawful for any person to operate or navigate any aircraft eligible for registration if such aircraft is not registered by its owner as provided in this section, or (except as provided in this act in respect of aircraft of foreign countries) to operate or navigate within the United States any aircraft not eligible for registration: *Provided*, That aircraft of the national-defense forces of the United States may be operated and navigated without being so registered if such aircraft are identified, by the agency having jurisdiction over them, in a manner satisfactory to the Authority. The Authority may, by regulation, permit the operation and navigation of aircraft without registration by the owner for such reasonable periods after transfer of ownership thereof as the Authority may prescribe.

(b) Eligibility for registration: No aircraft shall be eligible for registration unless—

(1) It is owned by a citizen of the United States and is not registered under the laws of any foreign country; or

(2) It is used exclusively in the service of the Federal Government, or of a State, Territory, or possession of the United States, or the District of Columbia, or of a political subdivision thereof.

(c) Issuance of certificate: Upon request of the owner of any aircraft eligible for registration, such aircraft shall be registered by the Authority and the Authority shall issue to the owner thereof a certificate of registration.

(d) Applications: Applications for such certificates shall be in such form, be filed in such manner, and contain such information as the Authority may require.

(e) Suspension or revocation: Any such certificate may be suspended or revoked by the Authority for any cause which renders the aircraft ineligible for registration.

(f) Effect of registration: Such certificate shall be conclusive evidence of nationality for international purposes, but not in any proceeding under the laws of the United States. Registration shall not be evidence of ownership of aircraft in any proceeding in which such ownership by a particular person is, or may be, in issue.

The amendment was agreed to.

The next amendment was, on page 77, line 20, to change the section number from 503 to 502; in line 22, after the word "all", to insert "instruments affecting title to, or interest in, aircraft registered as provided in section 501, including among other things, all"; on page 78, line 11, after the word "contract", to strike out the semicolon and "and (6) any other instrument affecting title to, or interest in, air-

craft registered as provided in this title"; on page 79, line 1, after the word "No", to insert "such"; in line 6, after the word "by", to strike out "the" and insert "such"; in line 12, after the word "No", to insert "such"; in line 19, after the word "Every", to insert "such"; and in line 23, after the word "execution.", to strike out "Every instrument so recorded shall have priority over all other claims arising after July 1, 1939, against the aircraft subject thereto"; so as to read:

SEC. 502. (a) Establishment of recording system: The Authority shall establish and maintain a system of recording all instruments affecting title to, or interest in, aircraft registered as provided in section 501, including among other things, all (1) bills of sale; (2) mortgages; (3) assignments of mortgages; (4) contracts for the sale of an aircraft or portion thereof under which possession is delivered to the buyer and the property is to vest in the buyer at a subsequent time upon the payment of part or all of the price, or upon the performance of any other condition or the happening of any contingency; (5) contracts for the bailment or leasing of an aircraft or portion thereof by which the bailee or lessee contracts to pay as compensation a sum substantially equivalent to the value thereof, and by which it is agreed that the bailee or lessee is bound to become, or has the option of becoming, the owner thereof upon full compliance with the terms of the contract.

(b) Form of system: The Authority shall record such instruments delivered to it in the order of their receipt, in files to be kept for that purpose, and indexed to show—

(1) the identifying description of the aircraft;

(2) the names of the parties to the instrument;

(3) the time and date of receipt of the instrument and the time and date of recordation thereof;

(4) the interest in the aircraft transferred by the instrument; and

(5) if such instrument is made as security for indebtedness, the amount and date of maturity thereof.

(c) Qualifications for recordation: No such instrument shall be recorded unless it states the interest in the aircraft of the person by whom such instrument is made or given (or, in the case of contracts specified in subsection (a) (4) and (5) of this section, the interest of the vendor), and states the interest transferred by such instrument, and unless it shall have been acknowledged before a notary public or other officer authorized by law of the United States, or of a State, Territory, or possession thereof, or the District of Columbia, to take acknowledgment of deeds.

(d) Effect of retardation: No such instrument made or given on or after July 1, 1939, which affects the title to, or interest in, any such aircraft, or any portion thereof, shall be valid in respect of such aircraft or portion thereof against any person other than the person by whom such instrument is made or given, his heir or devisee, and any person having actual notice thereof, until such instrument is recorded as provided herein. Every such instrument so recorded shall be valid as to all persons without further recordation. Any instrument, recordation of which is required herein, shall take effect from the date of its recordation, and not from the date of its execution.

(e) Evidencing recordation; additional records: The Authority is authorized to provide by regulation for the endorsement upon registration certificates or aircraft certificates, of information with respect to the ownership of the aircraft for which each certificate is issued; for the recording of instruments of discharge and satisfaction of recorded instruments, and of other transactions affecting title to, or interest in, aircraft; and for such other records and proceedings as may be necessary to facilitate the determination of the rights of parties dealing with aircraft registered as provided in this title.

(f) Previously unrecorded ownership: The person applying for the issuance or renewal of an airworthiness certificate for an aircraft with respect to which there has been no recordation of ownership as provided in this section shall present with his application such information with respect to the ownership of the aircraft as the Authority shall deem necessary to show the persons who are holders of property interests in such aircraft and the nature and extent of such interests.

The amendment was agreed to.

Mr. DUFFY. Mr. President, we have reached the part of the bill that has to do with the minimum standards, rules, and regulations. I merely desire to make a brief observation with reference to private flying. It seems to me that in the last few years the Bureau of Air Commerce has very largely neglected private flyers and private flying. Most every other nation in the world has recognized that private flying is a very important national asset, and it seems that only in this country have we neglected to give it the help which, in my opinion, it should be given.

We have what we all claim to be the richest country in the world. Our country is among those which have the greatest expanse of territory. We in this country are not restricted as are the people in Europe because of the closeness of the boundary lines, by reason of which flyers have to be careful not to fly from one country to another without proper permits, and making other provisions.

In our country we have one automobile for every 4.5 persons as I recall the figures, and yet when it comes to the matter of privately owned airplanes there is a great difference between this country and the principal European countries.

For instance, we lead France in the per capita ownership of airplanes by 25 percent, but we lead her in the per capita ownership of automobiles by 350 percent. Germany has 1 private airplane for every 760 automobiles. France has 1 private airplane for every 886 automobiles. Great Britain has 1 private airplane for every 1,260 automobiles. While we in this country have 1 private airplane for every 3,100 automobiles.

Other countries have gone to the extent of defraying part of the cost of private flying, of helping in the purchase of airplanes, and in instruction. We recognize that in 1917 the private flyer in this country was the backbone of aviation, to whom we went to get the needed instruction, whom we utilized as instructors for eleven-thousand-odd pilots who were trained in that wartime.

At this time I simply wish to make the observation that while, of course, safety regulations are essential, and that when it comes to the air liners and the regular transportation lines perhaps we cannot be too strict, yet I think the private flyers have been more or less the forgotten people so far as the operations of the Bureau of Air Commerce in the past are concerned. Regulations can be made so burdensome and so intricate as to discourage private flying. However, the same regulations may be very proper indeed so far as air liners are concerned.

I simply wish to express the hope at this time that when the bill becomes operative and the authority is acting, it will give more attention to the matter of private flying and provide more help in the way of regulations and otherwise. While regulations must be provided to keep flying within the strict bounds of safety, private flyers should be given every possible encouragement because, in my opinion, they are very necessary as a matter of national defense.

Mr. COPELAND. Mr. President, I should like to say that one of the criticisms I have to make of what has been done in the past is that we have given the greatest consideration to the commercial air lines. As a matter of fact, their activity comprises only one-third of aviation. We have the flying units of the Army and Navy and Coast Guard, and then we have a tremendous amount of private flying. I take it that one argument in favor of the bill is that it will provide a board which will give consideration not only to commercial air lines but to private flyers.

Mr. DUFFY. I will say to the Senator from New York that one of the reasons why I am in favor of the bill is that I feel that private flying, which is so important to the future of the country, will receive a fair break under the proposed legislation, whereas I doubt whether they have had any break in the past.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, under the heading "Title VI—Civil aeronautics safety regulation", on page 81, line 1, after the word "in", to strike out "civil aeronautics" and insert "air commerce"; in line 3, after "(1)", to strike out "Minimum standards for" and insert "Such minimum standards governing"; in line 6, after the word "propellers", to insert "as may be required in the interest of safety"; in line 11, after the word "governing", to insert "in the interest of safety"; in line 17, after the word "be", to strike out "made; including in respect of air commerce" and insert "made, including"; on page 82, after line 2, to insert:

(5) Reasonable rules and regulations governing, in the interest of safety, the maximum hours or periods of service of airmen, and other employees, of air carriers; and.

In line 7, before the word "Such", to strike out "(5)" and insert "(6)"; on page 82, line 17, after the word "differences", to strike out "in the nature of the services in air commerce and air transportation; and shall insofar as practicable classify such standards, rules, regulations, and certificates in such manner that no standard, rule, regulation, or certificate appropriate for and applicable in respect of air commerce shall be applicable in respect of air transportation without a specific finding by the authority that the standard, rule, regulation, or certificate is equally appropriate for both air commerce and air transportation" and insert "between air transportation and other air commerce; and it shall make classifications of such standards, rules, regulations, and certificates appropriate to the differences between air transportation and other air commerce."; on page 83, line 7, after the word "in", to insert "other"; and in line 10, after the word "or", to insert "other"; so as to read:

GENERAL SAFETY POWERS AND DUTIES

SEC. 601. (a) Minimum standards; rules and regulations: The Authority is empowered, and it shall be its duty to promote safety of flight in air commerce by prescribing and revising from time to time—

(1) Such minimum standards governing the design, materials, workmanship, construction, and performance of aircraft, aircraft engines, and propellers as may be required in the interest of safety;

(2) Such minimum standards governing appliances as may be required in the interest of safety;

(3) Reasonable rules and regulations and minimum standards governing, in the interest of safety, (a) the inspection, servicing, and overhaul of aircraft, aircraft engines, propellers, and appliances; (b) the equipment and facilities for such inspection, servicing, and overhaul; and (c) in the discretion of the Authority, the periods for, and the manner in, which such inspection, servicing, and overhaul shall be made, including provision for examinations and reports by properly qualified private persons whose examinations or reports the Authority may accept in lieu of those made by its officers and employees;

(4) Reasonable rules and regulations governing the reserve supply of aircraft, aircraft engines, propellers, appliances, and aircraft fuel and oil, required in the interest of safety, including the reserve supply of aircraft fuel and oil which shall be carried in flight;

(5) Reasonable rules and regulations governing, in the interest of safety, the maximum hours or periods of service of airmen, and other employees, of air carriers; and

(6) Such reasonable rules and regulations, or minimum standards, governing other practices, methods, and procedure, as the Authority may find necessary to provide adequately for safety in air commerce.

(b) Needs of service to be considered; classifications of standards, etc.: In prescribing standards, rules and regulations, and in issuing certificates under this title, the Authority shall give full consideration to the duty resting upon air carriers to perform their services with the highest possible degree of safety in the public interest and to any differences between air transportation and other air commerce; and it shall make classifications of such standards, rules, regulations, and certificates appropriate to the differences between air transportation and other air commerce. The Authority may authorize any aircraft, aircraft engine, propeller, or appliance, for which an aircraft certificate authorizing use thereof in air transportation has been issued, to be used in other air commerce without the issuance of a further certificate. The Authority shall not deem itself required to give preference to either air transportation or other air commerce in the administration and enforcement of this title.

The amendment was agreed to.

The next amendment was, on page 84, line 1, after the word "in", to strike out "civil aeronautics" and insert "air commerce", so as to read:

AIRMAN CERTIFICATES

SEC. 602. (a) Power to issue certificate: The Authority is empowered to issue airman certificates specifying the capacity in which the holders thereof are authorized to serve as airmen in connection with aircraft.

(b) Issuance of certificate: Any person may file with the Authority an application for an airman certificate. If the Authority finds, after investigation, that such person possesses proper qualifications for, and is physically able to perform the duties pertaining to, the position for which the airman certificate is sought, it shall issue such certificate, containing such terms, conditions, and limitations as to duration thereof, periodic or special examinations, tests of physical fitness, and other matters as the Authority may determine to be necessary to assure safety in air commerce. Any person whose application for the issuance or renewal of an airman certificate is denied may file with the Authority a petition for reconsideration, and the Authority shall thereupon assign such application for hearing at a place convenient to the applicant's place of residence or employment: *Provided*, That the Authority may, in its discretion, prohibit or restrict the issuance of airman certificates to aliens, or may make such issuance dependent on the terms of reciprocal agreements entered into with foreign governments.

(c) Form and recording of certificate: Each certificate shall be numbered and recorded by the Authority; shall state the name and address of, and contain a description of, the person to whom the certificate is issued; and shall be entitled with the designation of the class covered thereby. Certificates issued to all pilots serving in scheduled air transportation shall be designated "airline transport pilot" of the proper class.

The amendment was agreed to.

The next amendment was, on page 85, line 6, after the word "may", to insert "make, or"; in the same line, after the word "to", to strike out "make" and insert "make,"; in line 7, after the word "as", to strike out "it" and insert "the Authority"; in line 9, after the word "including", to insert "flight tests and"; in line 11, after the word "appliance", to strike out the comma and "and including flight tests under such terms and conditions as the Authority may require"; on page 87, line 9, after the word "Authority", to strike out "No such certificate shall confer any right upon the holder thereof to operate the aircraft covered by such certificate in contravention of any provision of this act or any direction of the Authority thereunder" and after line 13 to insert:

(d) Air-carrier operating certificates: (1) The Authority is empowered to issue air-carrier operating certificates and to establish minimum safety standards for the operation of the air carrier to whom any such certificate is issued.

(2) Any person desiring to operate as an air carrier may file with the Authority an application for an air-carrier operating certificate. Such application shall be in such form and contain such information as the Authority may require. If the Authority finds, after investigation, that such person is properly and adequately equipped and able to conduct a safe operation in accordance with the requirements of this act and the rules, regulations, and standards issued thereunder, it shall issue an air carrier operating certificate. Each air carrier operating certificate shall prescribe such terms, conditions, limitations, and requirements as are reasonably necessary to assure safety in air transportation, and shall specify the points to and from which, and the civil airways over which, such person is authorized to operate as an air carrier under an air carrier operating certificate.

So as to read:

AIRCRAFT CERTIFICATES

SEC. 603. (a) Type certificates: (1) Power to issue.—The Authority is empowered to issue type certificates for aircraft, aircraft engines, and propellers; to specify in regulations the appliances for which the issuance of type certificates is reasonably required in the interest of safety; and to issue such certificates for appliances so specified.

(2) Issuance: Any interested person may file with the Authority an application for a type certificate for an aircraft, aircraft engine, propeller, or specified appliance. Upon receipt of an application, the Authority shall make an investigation thereof and may hold hearings thereon. The Authority may make, or require the applicant to make, such tests during manufacture and upon completion as the Authority deems reasonably necessary in the interests of safety, including flight tests and test of raw materials or any part or appurtenance of such aircraft, aircraft engine, propeller, or appliance. If the Authority finds that such aircraft, aircraft engine, propeller, or appliance is of proper design, material specification, construction, and performance for safe operation, and meets the minimum standards, rules, and regulations prescribed by the Authority, it shall issue a type certificate therefor. The Authority may prescribe in any such certificate the duration thereof and such other terms, conditions, and limitations as are required in the interest of safety. The Authority shall record upon any certificate issued for aircraft, aircraft engines, or propellers to be used in air transportation a numerical determination of all of the essential factors relative to the performance of the aircraft, aircraft engine, or propeller for which the certificate is issued.

(b) Production certificate: Upon application, and if it satisfactorily appears to the Authority that duplicates of any aircraft, aircraft engine, propeller, or appliance for which a type certificate has been issued will conform to such certificate, the Authority shall issue a production certificate authorizing the production of duplicates of such aircraft, aircraft engines, propellers, or appliances. The Authority shall make such inspection and may require such tests of any aircraft, aircraft engine, propeller, or appliance manufactured under a production certificate as may be necessary to assure manufacture of each unit in conformity with the type certificate or any amendment or modification thereof. The Authority may prescribe in any such production certificate the duration thereof and such other terms, conditions, and limitations as are required in the interest of safety.

(c) Airworthiness certificate: The registered owner of any aircraft may file with the Authority an application for an airworthiness certificate for such aircraft. If the Authority finds that the aircraft conforms to the type certificate therefor, and, after inspection, that the aircraft is in condition for safe operation, it shall issue an airworthiness certificate. The Authority may prescribe in such certificate the duration of such certificate, the type of service for which the aircraft may be used, and such other terms, conditions, and limitations as are required in the interests of safety. Each such certificate shall be registered by the Authority and shall set forth such information as the Authority may deem advisable. The certificate number, or such other individual designation as may be required by the Authority, shall be displayed upon each aircraft in accordance with regulations prescribed by the Authority.

(d) Air-carrier operating certificates: (1) The Authority is empowered to issue air-carrier operating certificates and to establish minimum safety standards for the operation of the air carrier to whom any such certificate is issued.

(2) Any person desiring to operate as an air carrier may file with the Authority an application for an air-carrier operating certificate. Such application shall be in such form and contain such information as the Authority may require. If the Authority finds, after investigation, that such person is properly and adequately equipped and able to conduct a safe operation in accordance with the requirements of this act and the rules, regulations, and standards issued thereunder, it shall issue an air-carrier operating certificate. Each air-carrier operating certificate shall prescribe such terms, conditions, limitations, and requirements as are reasonably necessary to assure safety in air transportation, and shall specify the points to and from which, and the civil airways over which, such person is authorized to operate as an air carrier under an air-carrier operating certificate.

The amendment was agreed to.

The next amendment was, in section 604, on page 88, line 12, before the word "overhaul", to strike out "or"; in the same line, before the words "of all", to insert "and repair"; in the same line, after the word "equipment", to insert "used in air transportation", so as to read:

SEC. 604. (a) Duty of carriers and airmen: It shall be the duty of each air carrier subject to this act to make, or cause to be made, such inspection, maintenance, overhaul, and repair of all equipment used in air transportation as may be required by this act, or the orders, rules, and regulations of the Authority issued thereunder.

The amendment was agreed to.

The next amendment was, on page 88, line 15, after the word "every", to strike out "person engaged in operating" and insert "airman engaged in navigating", so as to read:

And it shall be the duty of every airman engaged in navigating, inspecting, maintaining, or overhauling equipment—

Mr. McCARRAN. Mr. President, I hope the committee amendment will not prevail, because it seems to me that this is a safety provision.

The original language was:

And it shall be the duty of every person engaged in operating, inspecting, maintaining—

And so forth. The committee sought to strike out the words "person engaged in operating" and to insert "airman engaged in navigating."

I draw the attention of the senior Senator from New York [Mr. COPELAND], the chairman of the Committee on Commerce, to the fact that anyone engaged in operating or having to do with an airplane may be just as seriously connected with its operation as is the pilot.

Mr. COPELAND. I think the Senator is correct; and I hope the Senate will reject the amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 88, in line 15.

The amendment was rejected.

The next amendment was, on page 88, line 17, after the word "equipment", to strike out the comma and "and who holds a currently effective airman certificate therefor from the authority"; in line 19, after the word "act", to insert "relating thereto"; in line 23, after the word "the", to strike out "sole"; in line 25, after the word "while", to strike out owned or"; on page 89, line 1, after the word "carrier", to strike out "subject to this act" and insert "in air transportation"; in line 6, after the word "carrier", to strike out "subject to this act"; in line 11, after the word "comprising", to strike out "the several States, the District of Columbia, and the Territories and possessions of"; in line 14, after the word "effective", to strike out the comma and "and that the work required of each inspector shall be substantially the same"; in line 17, before the word "inspector" to strike out "Each" and insert "Insofar as possible, each"; on page 90, line 6, after the word "that", to strike out "the" and insert "air"; in line 8, after the word "that", to strike out "the" and insert "such"; in line 11, after the word "transportation.", to strike out "To this end, each carrier subject to this act shall file with the Authority under the oath of the proper officer or employee, a duplicate of the report of each inspection made by it under such rules and regulations, and shall also file with the Authority, under the oath of the proper officer or employee, a report showing the repair of the" and insert "The Authority is empowered to require each air carrier to file with it, under oath, reports of inspections made by it under such rules and regulations, and of the repair of"; and in line 24, after the word "appliance", to insert "used by any air carrier in air transportation", so as to read:

maintaining, or overhauling equipment, to observe and comply with the requirements of this act relating thereto, and the orders, rules, and regulations issued thereunder.

(b) Duties and powers of authority: The Authority shall employ inspectors who shall be charged with the duty (1) of making such inspections of aircraft, aircraft engines, propellers, and appliances designed for use in air transportation, during manufacture, and while used by an air carrier in air transportation, as may be necessary to enable the Authority to determine that such aircraft, aircraft engines, propellers, and appliances are in safe condition and are properly maintained for operation in air transportation; and (2) of aiding the inspection and maintenance thereof by each air carrier. Inspectors shall be assigned by the Authority at such places as it may designate, and the Authority may, if deemed by it advisable or necessary for efficient and economical administration of this act, divide the territory comprising the United States into a number of districts so arranged that the administration of this section shall be most effective. One or more inspectors may be assigned to each of such districts. Insofar as possible, each inspector shall become familiar with, and shall keep informed concerning the condition of each aircraft, aircraft engine, propeller, or appliance ordinarily housed, repaired, or inspected at the place of his assignment (or in his district, if districts are established by the Authority), and if any aircraft, aircraft engine, propeller, or appliance is ordinarily housed or repaired at two or more places (or in two or more districts), the Authority shall make such division between inspectors as will avoid the necessity for duplication of work. Each inspector shall, from time to time, make such personal inspection of the aircraft, aircraft engines, propellers, or appliances under his care, as may be necessary to carry out fully the provisions of this section, and as may be directed by the Authority. Each inspector shall, at all times, see that air carriers make inspections in accordance with the rules and regulations established or approved by the Authority, and that such carriers repair the defects disclosed by such inspections, or the inspections made by him, before the aircraft, aircraft engine, propeller, or appliance is again used in air transportation. The Authority is empowered to require each air carrier to file with it, under oath, reports of inspections made by it under such rules and regulations, and of the repair of defects disclosed by inspection. The Authority may prescribe the form and manner of filing of such reports. Whenever any inspector shall, in the performance of his duty, find any aircraft, aircraft engine, propeller, or appliance, used by any air carrier in air transportation not conforming to the requirements of this act, or the rules and regulations prescribed by or the certificate issued by the Authority, he shall notify the carrier, in writing, that the aircraft, aircraft engine, propeller, or appliance, is not in serviceable condition, and thereafter such aircraft, aircraft engine, propeller, or appliance, shall not be used in air transportation or in such manner as to endanger air transportation until found by the Authority or its inspector to be in serviceable condition: *Provided*, That a carrier, when so notified by an inspector, may, within 5 days after receiving such notice, appeal by telegram, by letter, or in person to the Authority, to have such aircraft, aircraft engine, propeller, or appliance, reinspected, and upon receipt of such appeal the Authority shall immediately assign an inspector, other than the one from whose decision the appeal is taken, to make a reinspection. If, upon such reinspection, the aircraft, aircraft engine, propeller, or appliance, is found in serviceable condition, the Authority shall immediately notify the carrier, in writing, whereupon such aircraft, aircraft engine, propeller, or appliance, may be put into service without further delay; but, if the reinspection sustains the decision of the first inspector, the Authority shall at once notify the carrier that the appeal from the decision of the first inspector is dismissed, and upon receipt of such notice the carrier may within 30 days, appeal to the Authority for a hearing: *Provided further*, That pending either

appeal such aircraft, aircraft engine, propeller, or appliance shall not be used in air transportation.

The amendment was agreed to.

The next amendment was, on page 92, after line 3, to strike out:

INSPECTION IN AIR COMMERCE

SEC. 605. The Authority may prescribe reasonable rules and regulations for the inspection, servicing, and overhaul of aircraft, aircraft engines, propellers, and appliances used in air commerce, including the periods for and manner in which overhaul shall be made, when it deems such rules and regulations necessary in the public interest.

Mr. McCARRAN. Mr. President, I invite the attention of the chairman of the Committee on Commerce to the amendment of the committee on page 92, striking out lines 4 to 10. I wonder how serious the committee is in advocating that amendment.

The language stricken out is:

INSPECTION IN AIR COMMERCE

SEC. 605. The Authority may prescribe reasonable rules and regulations for the inspection, servicing, and overhaul of aircraft, aircraft engines, propellers, and appliances used in air commerce, including the periods for and manner in which overhaul shall be made, when it deems such rules and regulations necessary in the public interest.

It seems to me the language was intended by the author of the bill to provide the greatest possible measure of safety. We cannot go too far in the matter of safety. It seems to me the authority should have power to prescribe reasonable rules and regulations.

I hope the committee will not insist upon the amendment.

Mr. COPELAND. Mr. President, the Senator from Nevada having given the matter considerable thought, I can see no objection to the Senate rejecting this particular amendment. Somebody certainly should prescribe reasonable rules and regulations for the inspection, servicing, and overhaul of aircraft; and it seems to me that the Board itself should do so. So I hope the Senate will reject the amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 92, after line 3.

The amendment was rejected.

Mr. COPELAND. I may say that the reason for striking out the language indicated was because we thought we had covered it elsewhere. However, there can certainly be no harm in repetition.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, on page 92, line 12, after the word "Sec.", to strike out "606" and insert "605", and in line 19, after the word "rules", to strike out the comma and "or to regulate the dispatch of, or to dispatch, air traffic to and from, and along the airways between, such landing areas", so as to read:

AIR TRAFFIC RULES

SEC. 605. The Authority is empowered to prescribe air-traffic rules governing the flight of aircraft, including rules as to safe altitudes of flight and rules for the prevention of collisions between aircraft and between aircraft and land or water vehicles, and to assign at landing areas regularly used for receiving or discharging passengers, cargo, or mail in air transportation such employees as may be necessary to enforce observance of such rules.

The amendment was agreed to.

The next amendment was, on page 92, after line 21, to insert:

AIR-NAVIGATION FACILITY RATING

SEC. 606. The Authority is empowered to inspect, classify, and rate any air-navigation facility available for the use of civil aircraft of the United States as to its suitability for such use. The Authority is empowered to issue a certificate for any air-navigation facility.

The amendment was agreed to.

The next amendment was, on page 93, line 11, after the word "shops", to strike out "other than those owned or operated by air carriers)", so as to read:

AIR AGENCY RATING

SEC. 607. The Authority is empowered to provide for the examination and rating of (1) civilian schools giving instruction in flying or in the repair, alteration, and maintenance of aircraft, aircraft engines, propellers, and appliances, as to the adequacy of the course of instruction, the suitability and airworthiness of the equipment, and the competency of the instructors; (2) repair stations or shops for the repair, alteration, maintenance, and overhaul of aircraft for which a registration certificate has been issued under this act, and of aircraft engines, propellers, and appliances used in, or intended to be used in, such aircraft, as to the adequacy and suitability of the equipment, facilities, and materials for, and methods of, repair, alteration, maintenance, and overhaul of aircraft, aircraft engines, propellers, and appliances, and the competency of those engaged in the work or giving any instruction therein; and (3) such other air agencies as may, in its opinion, be necessary in the interest of the public. The Authority is empowered to issue certificates for such schools, repair stations, and other agencies.

The amendment was agreed to.

The next amendment was, on page 94, line 21, after the word "part", to strike out "or" and insert "for", so as to read:

AMENDMENT, SUSPENSION, AND REVOCATION OF CERTIFICATES

SEC. 609. The Authority may, from time to time, reinspect any aircraft, aircraft engine, propeller, appliance, air-navigation facility, or air agency, may reexamine any airman, and, after investigation, and upon notice and hearing, may alter, amend, modify, or suspend, in whole or in part, any type certificate, production certificate, airworthiness certificate, airman certificate, air-carrier operating certificate, air-navigation facility certificate, or air agency certificate if the interest of the public so requires, or may revoke, in whole or in part, any such certificate for any cause which, at the time of revocation, would justify the Authority in refusing to issue to the holder of such certificate a like certificate. In cases of emergency, any such certificate may be suspended in whole or in part for a period not in excess of 30 days without regard to any requirement as to notice and hearing. The Authority shall immediately give notice of such suspension to the holder of such certificate and shall enter upon a hearing which shall be disposed of as speedily as possible. During the pendency of the proceeding the Authority may further suspend such certificate in whole or in part for an additional period not in excess of 30 days.

The amendment was agreed to.

The next amendment was, on page 95, line 7, after the word "commerce", to strike out "or in air transportation any" and insert "any civil"; in line 12, after the word "any", to insert "civil"; in line 13, after the word "commerce", to strike out "or air transportation"; in line 17, after the word "any", to insert "civil"; in the same line, after the word "commerce", to strike out "or air transportation"; after line 21, to insert:

(4) For any person to operate as an air carrier without an air carrier operating certificate, or in violation of the terms of any such certificate; and

On page 96, line 1, before the word "For", to strike out "(4)" and insert "(5)"; in line 2, after the word "commerce", to strike out "or air transportation", and in line 6, after the word "Governments.", to strike out "Aircraft of foreign governments and airmen not citizens of the United States" and insert "Foreign aircraft and airmen serving in connection therewith", so as to read:

PROHIBITIONS

SEC. 610. (a) Violations of title: It shall be unlawful—

(1) For any person to operate in air commerce any civil aircraft for which there is not currently in effect an airworthiness certificate, or in violation of the terms of any such certificate;

(2) For any person to serve in any capacity as an airman in connection wtih any civil aircraft used in air commerce without an airman certificate authorizing him to serve in such capacity, or in violation of the terms of any such certificate;

(3) For any person to employ for service in connection with any civil aircraft used in air commerce an airman who does not have an airman certificate authorizing him to serve in the capacity for which he is employed, or who serves in violation of the terms of any such certificate;

(4) For any person to operate as an air carrier without an air carrier operating certificate, or in violation of the terms of any such certificate; and

(5) For any person to operate aircraft in air commerce in violation of any other rule, regulation, certificate, or requirements of the Authority under this title.

(b) Exemption of aircraft of foreign governments: Foreign aircraft and airmen serving in connection therewith authorized to enter, or to operate within, the United States under this act may be exempted from the requirements of this title to the extent, and upon such terms and conditions, as may be prescribed by the Authority as being in the public interest, but such airmen shall observe the air traffic rules established under this title.

The amendment was agreed to.

The next amendment was, under the heading "Title VII—Air Safety Board," on page 99, line 8, after the word "in", to strike out "air transportation and"; in line 23, after the word "in", to strike out "air transportation or"; on page 100, line 2, after the word "transportation", to strike out "and shall" and insert "but may"; in line 3, after the word "in", to insert "other"; in line 5, after the word "designate", to strike out the comma and "except that the Board may itself investigate any accidents in air commerce resulting in the death of any person when investigation of such accident does not, or will not, prevent, interfere with, or retard the investigation or hearing of any accident in air transportation"; in line 13, after the word "in", to strike out "air transportation and"; and in line 18, after the word "in" where it occurs the second time, to strike out "air transportation and", so as to read:

POWERS AND DUTIES

SEC. 702. (a) Specification of duties: The Board shall be charged with the following duties:

(1) Study of safety: To study safety in air commerce and to collect information relative thereto which may be disseminated as the Authority deems appropriate.

(2) Investigation of accidents: To make rules, regulations, and instructions, which shall be subject to approval by the Authority before they take effect, governing notification and report of accidents involving aircraft; to investigate and hold necessary hearings respecting such accidents and to report to the Authority the facts, conditions, and circumstances relating to each accident; and to make such recommendations, as, in its opinion, will tend to prevent similar accidents in the future. Any aircraft, aircraft engine, propeller, or appliance affected by, or involved in, an accident in air commerce shall be preserved in accordance with, and shall not be moved except in accordance with, regulations prescribed by the Board. The Board shall itself investigate and hold hearings on all accidents in air transportation but may assign the investigation and hearing of accidents in other air commerce to such of its assistants as it shall designate.

(3) Investigation of other safety matters: To conduct hearings and investigations at the direction of the Authority, or on complaints filed with the Authority, on other matters pertaining to safety in air commerce and the prevention of accidents; and to make such recommendations concerning the disposition of such investigations or complaints as to it seems proper in the interest of safety, and such other recommendations as, in its opinion, will tend to promote safety in air commerce.

(b) Members relieved of other duties: No member of the Board, and no employee of the Authority permanently assigned to the Board, shall be assigned any duties in, or be connected with, any bureau, division, section, or other unit of the Authority.

(c) Powers: Each member of the Board, and each of its assistants detailed to investigate accidents, shall have the same powers to hold and conduct hearings, make investigations, examine accounts and records, and inspect lands, buildings, and equipment as the employees of the Authority.

(d) Purpose of investigations: The Board shall exercise its powers and duties in respect of investigations, and reports of accidents, for the primary purpose of ascertaining what, if any, changes in laws, rules, regulations, standards, facilities, or operating practices can or should be made to reduce or eliminate the possibility of, or recurrence of similar, accidents in air transportation.

The amendment was agreed to.

The next amendment was, under the heading "Title VIII—Other administrative agencies", on page 101, line 18, after the word "to", to strike out "operate" and insert "engage"; in line 19, after the word "transportation", to insert "or air transportation between places in the same Territory or possession"; in line 20, after the word "permit", to strike out "issued to an air carrier not a citizen of the United States" and insert "issuable to any foreign air carrier under section 402"; on page 102, line 3, after the word "publication", to strike out "thereof: *Provided*, That this section shall not apply to certificates or permits issued as provided in this act to existing carriers for existing service", and insert "thereof. This section shall not apply to the issuance or denial of any certificate issuable under section 401 (e) or any permit issuable under section 402 (c) or to the original terms, conditions, or limitations of any such certificate or permit", so as to read:

THE PRESIDENT OF THE UNITED STATES

SEC. 801. The issuance, denial, transfer, amendment, cancelation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in overseas or foreign air transportation, or air transportation between places in the same Territory or possession, or any permit issuable to any foreign air carrier under section 402, shall be subject to the approval of the President. All applications in respect of such certificates and permits shall be submitted to the President by the Authority before hearing thereon, and all decisions thereon by the Authority shall be submitted to the President before publication thereof. This section shall not apply to the issuance or denial of any certificate issuable under section 401 (e) or any permit issuable under section 402 (c) or to the original terms, conditions, or limitations of any such certificate or permit.

The amendment was agreed to.

The next amendment was, on page 107, line 1, after the word "which", to insert "in the judgment of the head of the department or establishment", so as to read:

SALE OF SUPPLIES BY GOVERNMENT AGENCIES

SEC. 806. The head of any Government department or independent establishment having jurisdiction over any landing area owned or operated by the United States may provide, in any emergency, or where no commercial service is available, for the sale of fuel, oil, equipment, and supplies, and the furnishing of mechanical service, temporary shelter, and other assistance, to any aircraft, at fair and reasonable prices, under such regulations as the head of the department or establishment may prescribe. All amounts received therefor shall be covered into the Treasury; but that part of such amounts which, in the judgment of the head of the department or establishment, is equivalent to the cost thereof shall be credited to the appropriation from which such cost was paid, and the balance, if any, shall be credited to miscellaneous receipts.

The amendment was agreed to.

The next amendment was, under the heading "Title IX—Penalties", on page 107, line 19, after the word "thereunder" and the semicolon, to strike out "(2) operates any aircraft otherwise than in conformity with such provisions, rules, regulations, requirements, orders, terms, conditions, and limitations"; in line 22, before the word "violates", to strike out "(3)" and insert "(2)"; on page 108, line 3, after the word "case", to insert "an aircraft is involved in such violation and"; in line 4, after the word "violation", to strike out "or operation"; in line 5, after the word "aircraft," where it occurs the first time, to strike out "the" and insert "such", and in line 6, after the word "penalty", to insert a colon and "*Provided*, That this subsection shall not apply to a rule or regulation of the Postmaster General", so as to read:

CIVIL PENALTIES

SEC. 901. (a) Safety and postal offenses: Any person who (1) violates any provision of titles V, VI, and VII of this act, or any rule, regulation, requirement, or order, or any term, condition, or limitation of any certificate thereunder; (2) violates, or operates in contravention of, any rule or regulation prescribed by the Postmaster General under this act for the safe and expeditious transportation of mail by aircraft, shall be subject to a civil penalty of not to exceed $500 for each such violation, commensurate with the seriousness of the violation.

(b) Liens: In case an aircraft is involved in such violation and the violation is by the owner or person in command of the aircraft, such aircraft shall be subject to lien for the penalty: *Provided*, That this subsection shall not apply to a rule or regulation of the Postmaster General.

The amendment was agreed to.

The next amendment was, on page 109, line 15, after the word "the", to strike out "Authority" and insert "Administrator", so as to read:

OTHER UNLAWFUL ACTS AND PENALTIES

SEC. 902. (a) General: Any person who knowingly and willfully violates any provision of this act (except titles V, VI, and VII), or any order, rule, or regulation issued under any such provision or any term, condition, or limitation of any certificate or permit issued under title IV, for which no penalty is otherwise herein provided, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject for the first offense to a fine of not more than $500, and for any subsequent offense to a fine of not more than $2,000. If such violation is a continuing one, each day of such violation shall constitute a separate offense.

(b) Forgery of certificates: Any person who knowingly and willfully forges, counterfeits, alters, or falsely makes any certificate authorized to be issued under this act, or knowingly uses or attempts to use any such fraudulent certificate, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not exceeding $1,000 or to imprisonment not exceeding 3 years, or to both such fine and imprisonment.

(c) Interference with air navigation: A person shall be subject to a fine of not exceeding $5,000 or to imprisonment not exceeding 5 years, or to both such fine and imprisonment, who—

(1) with intent to interfere with air navigation within the United States, exhibits within the United States any light or signal at

such place or in such manner that it is likely to be mistaken for a true light or signal established pursuant to this act, or for a true light or signal in connection with an airport or other air navigation facility; or

(2) after due warning by the Administrator, continues to maintain any misleading light or signal; or

Mr. COPELAND. Mr. President, this particular amendment is an error. The correct language is "after due warning by the Authority."

Mr. McCARRAN. What line is that?

Mr. COPELAND. Line 15, on page 109. I hope the Senate will reject the amendment. We forgot to strike out the word "Administrator".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 109, in line 15.

The amendment was rejected.

The next amendment was, on page 109, line 20, after the word "carrier", to insert "or foreign air carrier"; on page 110, line 13, after the word "falsify,", to strike out "destroy,"; in line 21, after the word "Authority", to insert "or the Air Safety Board"; on page 111, line 1, after the word "carrier", to insert "or which is withheld from public disclosure under section 408 (g),"; in line 3, after the word "Authority", to insert "or the Air Safety Board, as the case may be,"; in line 6, after the word "for", to strike out "a term not exceeding" and insert "not more than"; in line 14, after the word "or", to strike out "by", and in line 15, after the word "or", to strike out "by", so as to read:

(3) knowingly removes, extinguishes, or interferes with the operation of any such true light or signal.

(d) Granting rebates: Any air carrier or foreign air carrier, or any officer, agent, employee, or representative thereof, who shall, knowingly and willfully, offer, grant, or give, or cause to be offered, granted, or given, any rebate or other concession in violation of the provisions of this act, or who, by any device or means, shall, knowingly and willfully, assist, or shall willingly suffer or permit, any person to obtain transportation or services subject to this act at less than the rates, fares, or charges lawfully in effect, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be subject for each offense to a fine of not less than $100 and not more than $5,000.

(e) Failure to file reports; falsification of records: Any air carrier, or any officer, agent, employee, or representative thereof, who shall, knowingly and willfully, fail or refuse to make a report to the Authority as required by this act, or to keep or preserve accounts, records, and memoranda in the form and manner prescribed or approved by the Authority, or shall, knowingly and willfully, falsify, mutilate, or alter any such report, account, record, or memorandum, or shall knowingly and willfully file any false report, account, record, or memorandum, shall be deemed guilty of a misdemeanor and, upon conviction thereof, be subject for each offense to a fine of not less than $100 and not more than $5,000.

Divulging information: Any member, officer, or employee of the Authority or the Air Safety Board who knowingly and willfully divulges any fact or information which may come to his knowledge during the course of an examination of the accounts, records, and memoranda of any air carrier, or which is withheld from public disclosure under section 408 (g), except as he may be directed by the Authority or the Air Safety Board, as the case may be, or by a court of competent jurisdiction or a judge thereof, shall upon conviction thereof be subject for each offense to a fine or not more than $5,000 or imprisonment for not more than 2 years, or both.

(g) Refusal to testify: Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce books, papers, or documents, if in his power to do so, in obedience to the subpena or lawful requirement of the Authority, shall be guilty of a misdemeanor and, upon conviction thereof, shall be subject to a fine of not less than $100 nor more than $5,000, or imprisonment for not more than 1 year, or both.

The amendment was agreed to.

The next amendment was, on page 113, after line 5, to strike out:

(d) Principal responsible for acts of agent: The act, omission, or failure of any officer, agent, or other representative acting for or employed by any person subject to this act and acting within the scope of his employment, shall in every case be also deemed to be the act, omission, or failure of such person, as well as of the officer, agent, or other representative.

So as to read:

VENUE AND PROSECUTION OF OFFENSES

SEC. 903. (a) Venue: The trial of any offense under this act shall be in the district in which such offense is committed; or if the offense is committed upon the high seas, or out of the jurisdiction of any particular State or district, the trial shall be in the district where the offender may be found or into which he shall be first brought. Whenever the offense is begun in one jurisdiction and completed in another it may be dealt with, inquired of, tried, determined, and punished in either jurisdiction in the same manner as if the offense had been actually and wholly committed therein.

(b) Prosecution: It shall be the duty of any district attorney of the United States to prosecute in the appropriate district court, under the direction of the Attorney General, every such offense upon duly verified information being lodged with him of such offense having occurred; and it shall be the duty of the Authority to give information to the proper United States district attorney of all such offenses coming to its knowledge and to assist in the prosecution thereof.

(c) Procedure in respect of civil penalties: Any civil penalty under this act may be collected by proceedings in personam against the person subject to the penalty and, in case the aircraft is subject to a lien, by proceedings in rem against the aircraft; or by either method alone. Any aircraft subject to such lien may be summarily seized and placed in the custody of such persons as the Authority may by regulation prescribe, and a report of the cause shall thereupon be transmitted to the United States attorney for the judicial district in which the seizure is made. The aircraft shall be released from such custody upon payment of the penalty assessed; in pursuance of the process of any court; or deposit of a bond in such amount and with such sureties as the court may determine, conditioned upon the payment of the penalty. The Supreme Court of the United States, and under its direction other courts of the United States, may prescribe rules regulating such proceedings in any particular not provided by law.

The amendment was agreed to.

The next amendment was, under the heading "Title X—Procedure", on page 113, line 22, after the word "be", to insert "open to the"; and in line 23, after the word "interested", to strike out "party. The Authority is authorized to withhold publication of records or proceedings containing secret information affecting" and insert "party unless the Authority determines that secrecy is requisite on grounds of", so as to read:

CONDUCT OF PROCEEDINGS

SEC. 1001. The Authority may conduct its proceedings in such manner as will be conducive to the proper dispatch of business and to the ends of justice. No member of the Authority shall participate in any hearing or proceeding in which he has a pecuniary interest. Any person may appear before the Authority and be heard in person or by attorney. Every vote and official act of the Authority shall be entered of record, and its proceedings shall be open to the public upon the request of any interested party unless the Authority determines that secrecy is requisite on grounds of national defense.

The amendment was agreed to.

The next amendment was, on page 116, line 1, after the word "to", to insert "rates, fares, and charges for"; on page 117, line 6, before the word "for", to insert "or foreign air carrier"; in line 10, after the word "may", to strike out "order the air carrier to cease and desist from such unjust discrimination, undue preference, and undue prejudice" and insert "alter the same to the extent necessary to correct such discrimination, preference, or prejudice and make an order that the air carrier or foreign air carrier shall discontinue demanding, charging, collecting, or receiving any such discriminatory, preferential, or prejudicial rate, fare, or charge, or enforcing any such discriminatory, preferential, or prejudicial classification, rule, regulation, or practice"; on page 119, line 4, after the word "any" where it occurs the second time, to strike out "such"; in line 8, after the word "for", to strike out "interstate or overseas"; in line 11, after the word "carriers", to insert "or foreign air carriers"; and on page 120, line 3, after the word "operated", to insert a colon and "*Provided,* That as to joint rates, fares, and charges for overseas air transportation the Authority shall determine and prescribe only just and reasonable maximum or minimum or maximum and minimum joint rates, fares, or charges", so as to read:

COMPLAINTS TO AND INVESTIGATIONS BY THE AUTHORITY

SEC. 1002. (a) Filing of complaints authorized: Any person may file with the Authority a complaint in writing with respect to anything done or omitted to be done by any person in contravention of any provision of this act, or of any requirement established pursuant hereto. If the person complained against shall not satisfy the complaint or there shall appear to be any reasonable ground for investigating the complaint, it shall be the duty of the Authority to investigate the matters complained of. Whenever the Authority

is of the opinion that any complaint does not state facts which warrant an investigation or action on its part, it may dismiss such complaint without hearing.

(b) Investigations on initiative of Authority: The Authority is empowered at any time to institute an investigation, on its own initiative, in any case and as to any matter or thing concerning which complaint is authorized to be made to or before the Authority by any provision of this act, or concerning which any question may arise under any of the provisions of this act, or relating to the enforcement of any of the provisions of this act. The Authority shall have the same power to proceed with any investigation instituted on its own motion as though it had been appealed to by complaint.

(c) Entry of orders for compliance with act: If the Authority finds, after notice and hearing of any such complaint or any investigation instituted by it, that any person has failed to comply with any provision of this act or any requirement established pursuant hereto, the Authority shall issue an appropriate order to compel such person to comply therewith.

(d) Power to prescribe rates and practices of air carriers: Whenever, after notice and hearing, upon complaint, or upon its own initiative, the Authority shall be of the opinion that any individual or joint rate, fare, or charge demanded, charge collected or received by any air carrier for interstate or overseas air transportation, or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, is or will be unjust or unreasonable, or unjustly discriminatory, or unduly preferential, or unduly prejudicial, the Authority shall determine and prescribe the lawful rate, fare, or charge (or the maximum or minimum, or the maximum and minimum thereof) thereafter to be demanded, charged, collected, or received, or the lawful classification, rule, regulation, or practice thereafter to be made effective: *Provided*, That as to rates, fares, and charges for overseas air transportation, the Authority shall determine and prescribe only a just and reasonable maximum or minimum or maximum and minimum rate, fare, or charge.

(e) Rule of rate making: In exercising and performing its powers and duties with respect to the determination of rates for the carriage of persons or property the Authority shall take into consideration, among other factors—

(1) The effect of such rates upon the movement of traffic;

(2) The need in the public interest of adequate and efficient transportation of persons and property by air carriers at the lowest cost consistent with the furnishing of such service;

(3) Such standards respecting the character and quality of service to be rendered by air carriers as may be prescribed by or pursuant to law;

(4) The inherent advantages of transportation by aircraft; and

(5) The need of each air carrier for revenue sufficient to enable such air carrier, under honest, economical, and efficient management, to provide adequate and efficient air-carrier service.

(f) Removal of discrimination in foreign air transportation: Whenever, after notice and hearing, upon complaint, or upon its own initiative, the Authority shall be of the opinion that any individual or joint rate, fare, or charge demanded, charged, collected, or received by any air carrier or foreign air carrier for foreign air transportation, or any classification, rule, regulation, or practice affecting such rate, fare, or charge or the value of the service thereunder, is or will be unjustly discriminatory, or unduly preferential, or unduly prejudicial, the Authority may alter the same to the extent necessary to correct such discrimination, preference, or prejudice, and make an order that the air carrier or foreign air carrier shall discontinue demanding, charging, collecting, or receiving any such discriminatory, preferential, or prejudicial rate, fare, or charge, or enforcing any such discriminatory, preferential, or prejudicial classification, rule, regulation, or practice.

(g) Suspension of rates: Whenever any air carrier shall file with the Authority a tariff stating a new individual or joint (between air carriers) rate, fare, or charge for interstate or overseas air transportation or any classification, rule, regulation, or practice affecting such rate, fare, or charge, or the value of the service thereunder, the Authority is empowered, upon complaint or upon its own initiative, at once, and, if it so orders, without answer or other formal pleading by the air carrier, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, fare, or charge, or such classification, rule, regulation, or practice; and pending such hearing and the decision thereon, the Authority, by filing with such tariff, and delivering to the air carrier affected thereby, a statement in writing of its reasons for such suspension, may suspend the operation of such tariff and defer the use of such rate, fare, or charge, or such classification, rule, regulation, or practice, for a period of 90 days, and, if the proceeding has not been concluded and a final order made within such period, the Authority may, from time to time, extend the period of suspension, but not for a longer period in the aggregate than 180 days beyond the time when such tariff would otherwise go into effect; and, after hearing, whether completed before or after the rate, fare, charge, classification, rule, regulation, or practice goes into effect, the Authority may make such order with reference thereto as would be proper in a proceeding instituted after such rate, fare, charge, classification, rule, regulation, or practice had become effective. If the proceeding has not been concluded and an order made within the period of suspension, the proposed rate, fare, charge, classification, rule, regulation, or practice shall go into effect at the end of such period: *Provided*, That this subsection shall not apply to any initial tariff filed by any air carrier.

(h) Power to prescribe divisions of rates: Whenever, after notice and hearing, upon complaint or upon its own initiative, the Authority is of the opinion that the divisions of joint rates, fares, or charges for air transportation are or will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between the air carriers or foreign air carriers parties thereto, the Authority shall prescribe the just, reasonable, and equitable divisions thereof to be received by the several air carriers. The Authority may require the adjustment of divisions between such air carriers from the date of filing the complaint or entry of order of investigation, or such other date subsequent thereto as the Authority finds to be just, reasonable, and equitable.

(i) Power to establish through air-transportation service: The Authority shall, whenever required by the public convenience and necessity, after notice and hearing, upon complaint or upon its own initiative, establish through service and joint rates, fares, or charges for interstate or overseas air transportation (or the maxima or minima, or the maxima and minima thereof), or the classifications, rules, regulations, or practices affecting such rates, fares, or charges, or the value of the service thereunder, and the terms and conditions under which such through service shall be operated: *Provided*, That as to joint rates, fares, and charges for overseas air transportation the Authority shall determine and prescribe only just and reasonable maximum or minimum or maximum and minimum joint rates, fares, or charges.

The amendment was agreed to.

The next amendment was, on page 120, line 9, after the word "evidence", to strike out—

Any member of the Authority may sign subpenas, and any member of the Authority, any member or assistant of the Air Safety Board, and any employee of the Authority designated for that purpose, may issue subpenas, administer oaths or affirmations, hold hearings, examine witnesses, and receive evidence at any place designated by the Authority. In all cases heard by a single member or an employee of the Authority, the Authority shall hear oral argument on request of either party.

And insert:

Any member or examiner of the Authority, when duly designated by the Authority for such purpose, may hold hearings, sign and issue subpenas, administer oaths, examine witnesses, and receive evidence at any place in the United States designated by the Authority. In all cases heard by an examiner or a single member the Authority shall hear oral arguments on request of either party.

The amendment was agreed to.

The next amendment was, on page 122, line 9, before the word "which", to strike out "as either may be nearest,"; in line 24, after the word "Depositions", to strike out "If a witness whose testimony may be desired to be taken by deposition be in a foreign country the deposition may be taken before an officer or person designated by the Authority, or agreed upon by the parties by stipulation in writing to be filed with the Authority"; and insert "If a witness whose testimony may be desired to be taken by deposition be in a foreign country, the deposition may be taken, provided the laws of the foreign country so permit, by a consular officer or other person commissioned by the Authority, or agreed upon by the parties by stipulation in writing to be filed with the Authority, or may be taken under letters rogatory issued by a court of competent jurisdiction at the request of the Authority"; and on page 123, line 12, after the word "Fees.", to strike out "Witnesses whose depositions are taken as authorized in this act, and the person taking the same, shall severally be entitled to the same fees as are paid for like services in the courts of the United States" and insert "Witnesses whose depositions are taken as authorized in this act, and the persons taking the same, shall severally be entitled to the same fees as are paid for like services in the courts of the United States: *Provided*, That with respect to commissions or letters rogatory issued at the initiative of the Authority, executed in foreign countries, the Authority shall pay such fees, charges, or expenses incidental thereto as may be found necessary, in accordance with regulations on the subject to be prescribed by the Authority", so as to read:

(e) Deposition: The Authority may order testimony to be taken by deposition in any proceeding or investigation pending before it, at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the Authority and having power to administer oaths. Reasonable notice must first be given in writing by the party or his attorney proposing to take such deposition to the opposite party or his attorney of record, which notice shall state the name of the witness

and the time and place of the taking of his deposition. Any person may be compelled to appear and depose, and to produce books, papers, or documents, in the same manner as witnesses may be compelled to appear and testify and produce like documentary evidence before the Authority, as hereinbefore provided.

(f) Method of taking depositions: Every person deposing as herein provided shall be cautioned and shall be required to swear (or affirm, if he so requests) to testify the whole truth, and shall be carefully examined. His testimoney shall be reduced to writing by the person taking the deposition, or under his direction, and shall, after it has been reduced to writing, be subscribed by the deponent. All depositions shall be promptly filed with the Authority.

(g) Foreign depositions: If a witness whose testimony may be desired to be taken by deposition be in a foreign country, the deposition may be taken, provided the laws of the foreign country so permit, by a consular officer or other person commissioned by the Authority, or agreed upon by the parties by stipulation in writing to be filed with the Authority, or may be taken under letters rogatory issued by a court of competent jurisdiction at the request of the Authority.

(h) Fees: Witnesses whose depositions are taken as authorized in this act, and the persons taking the same, shall severally be entitled to the same fees as are paid for like services in the courts of the United States: *Provided*, That with respect to commissions or letters rogatory issued at the initiative of the Authority, executed in foreign countries, the Authority shall pay such fees, charges, or expenses incidental thereto as may be found necessary, in accordance with regulations on the subject to be prescribed by the Authority.

The amendment was agreed to.

The next amendment was, on page 125, line 12, after the word "reasonable", to strike out "directions and such reasonable"; in line 14, after the word "transportation", to insert "to meet such emergency or condition"; in line 23, before the word "upon", to strike out "in the District of Columbia"; on page 126, line 6, after the word "by", to strike out "leaving a copy thereof with" and insert "service upon"; in line 7, after the word "residence", to strike out "in the District of Columbia,"; in line 17, after the word "upon", to strike out "persons other than air carriers" and insert "any person", and on page 127, after line 8, to insert:

(f) Every order of the Authority shall set forth the findings of fact upon which it is based.

So as to read:

ORDERS, NOTICES, AND SERVICE

SEC. 1004. (a) Effective date of orders; emergency orders: Except as otherwise provided in this act, all orders, rules, and regulations of the Authority shall take effect within such reasonable time as the Authority may prescribe, and shall continue in force until its further order, rule, or regulation, or for a specified period of time, as shall be prescribed in the order, rule, or regulation: *Provided*, That whenever the Authority is of the opinion that an emergency, or other special or unusual condition, requiring immediate action exists in respect of safety in air transportation, the Authority is authorized, either upon complaint or upon its own initiative without complaint, at once, if it so orders, without answer or other form of pleading by the interested carrier or carriers, or person or persons, and with or without notice, hearing, or the making or filing of a report, according as the Authority may determine, to make such just and reasonable orders, rules, or regulations, as in its opinion may be essential in the interest of safety in air transportation to meet such emergency or condition: *Provided further*, That the Authority shall immediately initiate proceedings relating to the matters embraced in any such direction, order, rule, or regulation, and shall, insofar as practicable, give preference to such proceedings over all others under this act.

(b) Designation of agent for service: It shall be the duty of every air carrier within 60 days after the effective date of this section to designate in writing an agent upon whom service of all notices and process and all orders, decisions, and requirements of the Authority may be made for and on behalf of said air carrier, and to file such designation in the office of the secretary of the Authority, which designation may from time to time be changed by like writing similarly filed. Service of all notices and process and orders, decisions, and requirements of the Authority may be made upon such air carrier by service upon such designated agent at his office or usual place of residence with like effect as if made personally upon such air carrier, and in default of such designation of such agent, service of any notice or other process in any proceeding before said Authority, or of any order, decision, or requirement of the Authority, may be made by posting such notice, process, order, requirement, or decision in the office of the Secretary of the Authority.

(c) Service on persons other than air carriers: Service of notices, processes, orders, rules, and regulations upon any person may be made by personal service, or upon an agent designated in writing for the purpose, or by registered mail addressed to such person or agent. Whenever service is made by registered mail, the date of mailing shall be considered as the time when service is made.

(d) Suspension or modification of order: Except as otherwise provided in this act, the Authority is empowered to suspend or modify its orders upon such notice and in such manner as it shall deem proper.

(e) Compliance with order required: It shall be the duty of every person subject to this act, and its agents and employees, to observe and comply with any order, rule, regulation, certificate, license, or requirement of the Authority under this act affecting such person so long as the same shall remain in effect.

(f) Every order of the Authority shall set forth the findings of fact upon which it is based.

The amendment was agreed to.

The next amendment was, on page 127, after line 10, to strike out:

REHEARINGS BY AUTHORITY

SEC. 1005. The power to issue, test, inspect, examine, hear, order, or otherwise act under this act, shall include the power to reissue, retest, reinspect, reexamine, rehear, reorder, and react. Applications therefor shall be governed by such general rules as the Authority may establish. No such application shall excuse any person from complying with or obeying the requirement of the Authority appealed from or operate in any manner to stay or postpone the enforcement thereof, without the special order of the Authority. The Authority may grant any such application if sufficient reason therefor appear and the procedure in any such subsequent proceeding shall conform as nearly as may be to the procedure governing initial proceedings.

The amendment was agreed to.

The next amendment was, on page 128, line 2, after "Sec.", to strike out "1006" and insert "1005"; in line 4, after the word "except", to strike out "an" and insert "any"; in line 5, after the word "of", to insert "any"; in the same line, after the word "air", to strike out "transportation approved by" and insert "carrier subject to the approval of"; in line 26, after the word "affirm", to insert "modify,"; on page 129, line 11, after the word "unless", to insert "such"; and in line 15, after the word "affirming", to insert "modifying", so as to read:

JUDICIAL REVIEW OF AUTHORITY'S ORDERS

SEC. 1005. (a) Orders of Authority subject to review: Any order, affirmative or negative, issued by the Authority under this act, except any order in respect of any foreign air carrier subject to the approval of the President as provided in section 801 of this act, shall be subject to review by the circuit courts of appeals of the United States or the United States Court of Appeals for the District of Columbia upon petition, filed within 60 days after the entry of such order, by any person disclosing a substantial interest in such order. After the expiration of said 60 days a petition may be filed only by leave of court upon a showing of reasonable grounds for failure to file the petition theretofore.

(b) Venue: A petition under this section shall be filed in the court for the circuit wherein the petitioner resides or has his principal place of business or in the United States Court of Appeals for the District of Columbia.

(c) Notice of authority; filing of transcript: A copy of the petition shall, upon filing, be forthwith transmitted to the Authority by the clerk of the court; and the Authority shall thereupon certify and file in the court a transcript of the record, if any, upon which the order complained of was entered.

(d) Power of court: The court shall have jurisdiction to affirm, modify, or set aside the order complained of, in whole or in part, and if need be, to order further proceedings by the Authority. Upon good cause shown, interlocutory relief may be granted by stay of the order or by such mandatory or other relief as may be appropriate: *Provided*, That no interlocutory relief may be granted except upon at least 5 days' notice to the Authority.

(e) Findings of fact by Authority conclusive: The findings of facts by the Authority, if supported by substantial evidence, shall be conclusive. No objection to an order of the Authority shall be considered by the court unless such objection shall have been urged before the Authority or, if it was not so urged, unless there were reasonable grounds for failure to do so.

(f) Certification or certiorari: The judgment and decree of the court affirming, modifying, or setting aside any such order of the Authority shall be subject only to review by the Supreme Court of the United States upon certification or certiorari as provided in sections 239 and 240 of the Judicial Code.

The amendment was agreed to.

The next amendment was, under the subhead "Judicial enforcement", on page 129, line 21, to change the section number from 1007 to 1006.

The amendment was agreed to.

The next amendment was, under the subhead "Participation by Authority in court proceedings", on page 131, line 2, to change the section number from 1008 to 1007.

The amendment was agreed to.

The next amendment was, on page 131, line 6, to change the section number from 1009 to 1008; in line 12, before the word "or", to strike out "parties" and insert "parties,"; in the same line, after the word "intervention", to strike out "of" and insert "of,"; in line 16, after the word "provisions", to insert "of law"; in line 17, after the word "authorized", to strike out "by law", and in the same line, after the word "the", to strike out "original parties" and insert "persons primarily concerned", so as to read:

JOINDER OF PARTIES

SEC. 1008. In any proceeding for the enforcement of the provisions of this act, or any rule, regulation, requirement, or order thereunder, or any term, condition, or limitation of any certificate or permit, whether such proceedings be instituted before the Authority or be begun originally in any court of the United States, it shall be lawful to include as parties, or to permit the intervention of, all persons interested in or affected by the matter under consideration, and inquiries, investigations, orders, and decrees may be made with reference to all such parties in the same manner, to the same extent, and subject to the same provisions of law as are or shall be authorized with respect to the persons primarily concerned.

The amendment was agreed to.

The next amendment was, under the heading "Title XI—Miscellaneous—Hazards to Air Commerce", on page 131, after line 20, to strike out:

SEC. 1101. The Authority is empowered to require by regulation that persons owning or operating any bridge, causeway, transportation, or transmission line, or any other structure on civil airways or elsewhere, which the Authority shall deem to be a hazard to aircraft operating in civil aeronautics, shall maintain at their own expense such lights and other signals thereon as may be required in the public interest and in the interest of safety of those engaged in civil aeronautics.

And in lieu thereof to insert:

SEC. 1101. Persons owning or operating any bridge, causeway, transportation, or transmission line, or any other structure on the civil airways, which the Authority shall deem to be a hazard to aircraft operating in air commerce, shall maintain such lights and other signals thereon as may be required in the public interest and the interest of those engaged in such commerce. The costs of installing and maintaining such lights and other signals shall be borne and paid by the Authority. If the Authority shall fail to pay such costs and to reimburse any person who has incurred such costs at the direction of the Authority, suit may be brought against the United States in the Court of Claims for the recovery of such costs.

The amendment was agreed to.

The next amendment was, on page 133, line 1, after the word "be", to strike out "operated, and no airman not a citizen of the United States may enter or operate such aircraft," and insert "navigated"; in line 3, after the words "United States", to strike out "unless authorized to do so by the Secretary of State. Any authorization issued by the Secretary of State for such entry or operation shall identify the aircraft and the airmen and specify the conditions for such entry or operation within the United States" and insert "except in accordance with an authorization granted by the Secretary of State"; in line 10, after the word "airmen", to strike out:

Aircraft of a foreign country (other than aircraft embraced within the provisions of the next preceding paragraph of this section or the provisions of this act requiring permits for air transport) registered under the laws of such country may enter or be operated, and airmen not citizens of the United States may enter or operate such aircraft within the United States—

(1) If such foreign country is a party to a convention, treaty, or agreement with the United States granting reciprocal privileges; or

(2) In cases where such country is not a party to a convention, treaty, or agreement with the United States granting reciprocal privileges, when so authorized by the Authority, but only when such country grants a similar privilege in respect of aircraft and airmen of the United States. Any such authorization by the Authority shall be for such period as it may fix, shall identify the aircraft and airmen, and shall specify the terms and conditions for such entry or operation within the United States.

And insert:

Aircraft of a foreign country (other than aircraft embraced within the provisions of the next preceding subsection or the provisions of this act requiring permits for foreign air carriers) shall be navigated within the United States only if authorized by the Authority. If a foreign country grants a similar privilege in respect of aircraft of the United States the Authority may authorize such foreign aircraft registered under the laws of such country to enter and be navigated within the United States.

On page 134, line 16, after the word "be", to insert "navigated"; in line 17, after the word "effective", to insert "airman"; and in line 18, after the word "certificate", to insert "certifying the competency of such airman to navigate such aircraft"; and after line 19, to insert:

(d) No foreign aircraft shall engage in interstate or overseas air commerce, or in the transportation of persons or property for compensation or hire, or be operated or navigated in the conduct or furtherance of a business of vocation, in commerce wholly within a State.

So as to read:

MILITARY AIRWAYS

SEC. 1102. The Secretary of War is authorized to designate, and to prescribe rules and regulations for the use of, military airways which do not conform to airways designated, established, or approved under this act.

AIRCRAFT AND AIRMEN OF FOREIGN COUNTRIES

SEC. 1103. (a) Military aircraft and airmen: No aircraft of the military, naval, or other armed forces of a foreign country may enter or be navigated within the United States except in accordance with an authorization granted by the Secretary of State.

(b) Civil aircraft and airmen: Aircraft of a foreign country (other than aircraft embraced within the provisions of the next preceding subsection or the provisions of this act requiring permits for foreign air carriers) shall be navigated within the United States only if authorized by the Authority. If a foreign country grants a similar privilege in respect of aircraft of the United States the Authority may authorize such foreign aircraft registered under the laws of such country to enter and be navigated within the United States.

(c) Operation by United States airmen: Aircraft of a foreign country entering the United States under this section may be navigated within the United States by an airman holding a currently effective airman certificate certifying the competency of such airman to navigate such aircraft.

(d) No foreign aircraft shall engage in interstate or overseas air commerce, or in the transportation of persons or property for compensation or hire, or be operated or navigated in the conduct or furtherance of a business or vocation, in commerce wholly within a State.

The amendment was agreed to.

The next amendment was, on page 135, line 8, after the word "air", to strike out "carriers" and insert "routes"; in line 19, after the word "carriers", to insert "and foreign air carriers"; on page 36, after line 7, to insert:

(f) The Air Commerce Act of 1926, as amended, is further amended by striking out in the first sentence of subsection (6) of section 11 thereof the following: "any provision of subdivision (a) of this section or", and by changing "7 (b)" in that sentence to "7 (c)".

In line 13, before the word "Sections", to strike out "(f)" and insert "(g)"; in line 23, after the word "amended,", to insert "except section 7 and section 11 (b) and (c)"; so as to read:

AMENDMENTS AND REPEALS

SEC. 1105. (a) Section 3964 of the Revised Statutes is hereby amended by adding "and all air routes", after the words "or parts of railroads."

(b) The act of May 24, 1928, as amended (45 Stat. 728), is further amended by striking out the words "Secretary of Commerce" wherever they appear and inserting in lieu thereof the words "Civil Aeronautics Authority."

(c) The Federal Trade Commission Act, approved September 26, 1914, as amended (38 Stat. 719), is further amended by striking out the word "and" before the word "common" in the second paragraph of section 5 thereof and inserting after the comma in the third line of that paragraph the words "and all air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938."

(d) The Independent Offices Appropriation Act, 1934, as amended (48 Stat. 283), is further amended by striking out in section 6 thereof the words "any air-mail contract or."

(e) The act approved February 21, 1925 (43 Stat. 960), as amended by the act approved August 24, 1935 (49 Stat. 744), and the act approved August 29, 1937 (50 Stat. 725), is further amended by striking out the words "and he is authorized, in his discretion, to contract after advertisement in accordance with law, for the carriage of all classes of mail to, from, or within the Territory of Alaska, by airplane, payment therefor to be made from the the appropriation for star-route service in Alaska."

(f) The Air Commerce Act of 1926, as amended, is further amended by striking out in the first sentence of subsection (6) of section 11 thereof the following: "any provision of subdivision (a) of this section or", and by changing "7 (b)" in that sentence to "7 (c)."

(g) Sections 2 (b) (2) and (3), 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21, and so much of section 8 as reads: "and any person not ineligible under the terms of this act who qualified under the other requirements of this act, shall be eligible to contract for carrying air mail, notwithstanding the provisions of section 3950 of the Revised Statutes (act of June 8, 1872)," of the act of June 12, 1934, as amended (48 Stat. 933); the joint resolution of June 26, 1934 (48 Stat. 1243); the act of March 8, 1928 (45 Stat. 248), as amended; the Air Commerce Act of 1926 (44 Stat. 568), as amended, except section 7 and section 11 (b) and (c); and all other acts or parts of acts inconsistent with any provision of this act are hereby repealed.

The amendment was agreed to.

The next amendment was, on page 37, line 17, after the word "proceedings", to strike out "Any proceeding, hearing, or investigation commenced or pending before the Department of Commerce, the Interstate Commerce Commission, or the Postmaster General at the time this act takes effect, are transferred to the authority and shall be continued by it in the same manner as though originally commenced before it, if such proceeding, hearing, or investigation involves the administration of duties, powers, and functions transferred to the authority by this act, or the exercise of jurisdiction similar to that granted to the authority by this act" and insert "The provisions of this act shall not affect any proceedings pending before the Secretary of Commerce, or the Postmaster General, or proceedings pending before the Interstate Commerce Commission for the determination of rates for the transportation of air mail by aircraft, on the date of the enactment of this act; but any such proceedings shall be continued, orders therein issued, appeals therefrom taken, and payments made by the Postmaster General pursuant to such orders, as if this act had not been enacted; and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by the authority or by operation of law: *Provided*, That the rates determined by the Interstate Commerce Commission shall be determined without regard to that portion of section 6 (e) of the Air Mail Act approved June 12, 1934, which provides as follows: 'which, in connection with the rates fixed by it for all other routes, shall be designed to keep the aggregate cost of the transportation of air mail on and after July 1, 1938, within the limits of the anticipated postal revenue therefrom' "; and on page 139, line 11, after the word "after", to strike out "the date of the organization of the authority" and insert "such transfer", so as to read:

EFFECT OF TRANSFERS, REPEALS, AND AMENDMENTS

SEC. 1106. (a) Effectiveness of existing orders, regulations, and so forth.—All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, or granted by the Interstate Commerce Commission, the Department of Commerce, or the Postmaster General, or any court of competent jurisdiction, under any provision of law repealed or amended by this act, or in the exercise of duties, powers, or functions transferred to the Authority by this act, and which are in effect at the time this section takes effect, shall continue in effect until modified, terminated, superseded, set aside, or repealed by the Authority, or by any court of competent jurisdiction, or by operation of law.

(b) Pending administrative proceedings: The provisions of this act shall not affect any proceedings pending before the Secretary of Commerce, or the Postmaster General, or proceedings pending before the Interstate Commerce Commission for the determination of rates for the transportation of air mail by aircraft, on the date of the enactment of this act; but any such proceedings shall be continued, orders therein issued, appeals therefrom taken, and payments made by the Postmaster General pursuant to such orders, as if this act had not been enacted; and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by the Authority or by operation of law: *Provided*, That the rates determined by the Interstate Commerce Commission shall be determined without regard to that portion of section 6 (e) of the Air Mail Act approved June 12, 1934, which provides as follows: "which, in connection with the rates fixed by it for all other routes, shall be designed to keep the aggregate cost of the transportation of air mail on and after July 1, 1938, within the limits of the anticipated postal revenue therefrom."

(c) Pending judicial proceedings: The provisions of this act shall not affect suits commenced prior to the date of the organization of the Authority; and all such suits shall be continued, proceedings therein had, appeals therein taken, and judgments therein rendered, in the same manner and with the same effect as if this act had not been passed. No suit, action, or other proceeding lawfully commenced by or against any agency or officer of the United States, in relation to the discharge of official duties, shall abate by reason of any transfer of authority, power, or duties from such agency or officer to the Authority under the provisions of this act, but the court, upon motion or supplemental petition filed at any time within 12 months after such transfer, showing the necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the Authority.

(d) Records transferred to Authority: All records transferred to the Authority under this act shall be available for use by the Authority to the same extent as if such records were originally records of the Authority.

The amendment was agreed to.

The LEGISLATIVE CLERK. It is also proposed to renumber the sections.

The PRESIDING OFFICER. Without objection, the sections will be renumbered.

That completes the committee amendments as printed in the bill.

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.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER, as in executive session, laid before the Senate messages from the President of the United States submitting a convention, an agreement, and sundry nominations, which were referred to the appropriate committees (and a message withdrawing a nomination).

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

NAVY AND MARINE CORPS

Mr. WALSH. Mr. President, as in executive session, I ask unanimous consent to report from the Committee on Naval Affairs sundry nominations of midshipmen to be ensigns, and other nominations in the Navy and the Marine Corps.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. WALSH. I now move that the nominations in the Navy be confirmed en bloc. The midshipmen at the Naval Academy are to graduate on June 2, and are to be made ensigns in the Navy. There are also nominations of midshipmen to be second lieutenants in the Marine Corps, and other nominations in the Marine Corps. I ask that they also be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Navy and the Marine Corps are confirmed en bloc.

Mr. WALSH. In order that the commissions may be prepared between now and June 2, there being a large number of them, I ask unanimous consent that the rule requiring the nominations to remain on the table be suspended, and that the President be notified of their confirmation.

The PRESIDING OFFICER. Without objection, the President will be notified.

POSTMASTER, ATLANTIC BEACH, FLA.—NOMINATION RECOMMITTED

Mr. McKELLAR. As in executive session, I ask unanimous consent that the nomination of Katherine S. Grey to be postmaster at Atlantic Beach, Fla., be recommitted to the Committee on Post Offices and Post Roads. I do this at the request of one of the Senators from Florida.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

DEVELOPMENT AND REGULATION OF CIVIL AERONAUTICS

The Senate resumed the consideration of the bill (S. 3845) to create a Civil Aeronautics Authority, and to promote the development and safety and to provide for the regulation of civil aeronautics.

Mr. COPELAND. Mr. President, the committee has a few other amendments it desires to offer. The first one is on page 7, lines 18 and 19. As the language reads it would seem that we have the right to determine the routes of a foreign air service even over a foreign country. Of course, we cannot do that. So the committee suggests, after the word

"means" and before the word "path", in line 16, to insert the letter "a", and after the word "space" in line 19 to insert "of the United States." That will simply confine our activities to our own country.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York on behalf of the committee.

The amendment was agreed to.

Mr. COPELAND. The next amendment is on page 17. This is controversial, but I wish to present what the committee recommends.

On page 17, after the period on line 3, I move to strike out "No employee of the authority and" and to begin the next word "no" with a capital "N", so as to read "No member of the Air Safety Board."

The reason for the amendment is that to prohibit the authority from hiring as an employee, special or otherwise, anyone having any interest in any aviation enterprise might very well cut off from it the best experts in the field—even for temporary employment. It would seem to be enough simply to provide that no member of the authority shall have such an interest—see section 201 (b)—and that no member of the Air Safety Board shall have such an interest.

Mr. McCARRAN. I do not object to that amendment.

The PRESIDING OFFICER. The Chair suggests that the amendment could be stated by striking out the words "employee of the authority, and no."

Mr. COPELAND. Yes; it may be done in that way so that after the word "No" in line 3 the words "employee of the authority, and no" should be stricken out.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York on behalf of the committee.

The amendment was agreed to.

Mr. COPELAND. On page 22, line 23, beginning with the words "The cost of travel by air", it is proposed to strike out the remainder of that paragraph and insert in lieu thereof the following:

Travel by personnel of the United States Government on commercial aircraft, domestic or foreign, including travel between airports and centers of population or posts of duty when incidental to travel on commercial aircraft, shall be allowed at public expense when authorized or approved by competent authority, and transportation requests for such travel may be issued upon such authorizations. Such expense shall be allowed without regard to comparative costs of transportation by aircraft with other modes of transportation.

Mr. McCARRAN. I will accept the amendment providing the Senator will agree to strike out the words "by competent authority" and insert the words "by the head of a department."

Mr. COPELAND. Very well; I will accept the modification.

Mr. McCARRAN. In other words, I do not want every Tom, Dick, and Harry to be issuing authorizations. If it is authorized "by the head of the department," then that gives the necessary sanction.

Mr. COPELAND. I send the amendment to the desk, as modified. I may say that it has been requested by the Army and Navy.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from New York on behalf of the committee.

The amendment, as modified, was agreed to.

Mr. TRUMAN. Mr. President, I desire to offer an amendment.

Mr. McCARRAN. I inquire if the committee is through with the amendments it desires to offer.

Mr. COPELAND. I will ask the Senator from Missouri if he will be good enough to let us finish the committee amendments.

Mr. TRUMAN. Very well. I thought the Senator was through.

Mr. COPELAND. On page 27, beginning at the end of line 25, I move, on behalf of the committee, to strike out the words "and no civil airway shall be established without the approval of the authority."

The clause is redundant, for civil airway is already defined as a path "designated or approved" by the authority. See section 1 (o). To leave the clause in the bill would apparently be inconsistent with the definition, for the clause says that no civil airway shall be established without the "approval" of the authority. Furthermore, if the provision means that no one can set up air-navigation facilities and fly thereby without the approval of the authority, the clause is probably unconstitutional.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York on behalf of the committee.

The amendment was agreed to.

Mr. COPELAND. Mr. President, the next amendment is section 401 (e). It is desired——

Mr. McCARRAN. May we have the amendment read first?

Mr. COPELAND. Yes. I merely want to locate it in the bill.

On page 34, it is suggested that lines 1 to 13, inclusive, be deleted, and this language inserted in lieu thereof:

If any applicant shall show that from December 1, 1937, until the effective date of this section, it, or its predecessor in interest, was an air carrier, continuously operating as such (except as to interruptions of service over which the applicant or its predecessor in interest had no control), the Authority, upon proof of such fact only shall, unless the service rendered by such applicant for such period was inadequate and inefficient, issue a certificate or certificates, authorizing such applicant to engage as an air carrier in air transportation with respect to all classes of traffic for which authorization is sought, except mail, between the terminal and intermediate points between which it, or its predecessor, so continuously operated between April 15, 1938, and the effective date of this section, and also authorizing such applicant to transport mail between the terminal and intermediate points between which the applicant, or its predecessor, was authorized by the Postmaster General to engage on April 15, 1938, in the transportation of mail.

Mr. McCARRAN. To the suggested amendment I offer the amendment which I send to the desk and ask to have stated. I offer it as an amendment to the amendment offered by the Senator from New York.

The PRESIDING OFFICER. The amendment offered by the Senator from Nevada to the amendment offered by the Senator from New York will be stated.

The CHIEF CLERK. It is proposed to add to the amendment just read by Mr. COPELAND the following proviso:

Provided, That no applicant holding an air-mail contract shall be authorized to engage in air transportation to or from any point now named in such contract as awarded to it if, upon protest of any interested person, the Authority shall find that transportation by the applicant to or from such point is not required by the public convenience and necessity.

Mr. McCARRAN. I ask the Senator from New York to accept that amendment to his amendment.

Mr. COPELAND. Mr. President, I am satisfied to do it. I confess that it is a matter to which the Senator from Nevada has given much more study than I have.

Mr. McCARRAN. It is an involved situation. I have tried to clarify it, and I think we can all study it for a long time and still not clarify it.

Mr. COPELAND. I think it is all right. Does the Senator from Missouri agree to that?

Mr. TRUMAN. So long as the authority has a right to pass on the service, I see no reason why the amendment should not be adopted.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Nevada to the amendment of the Senator from New York is agreed to. The question is on agreeing to the amendment offered by the Senator from New York, as amended.

The amendment, as amended, was agreed to.

Mr. BONE. Mr. President, may I inquire of one of the Senators whether we have reached or disposed of the amendment to the language on page 34?

Mr. TRUMAN. That has just been done.

Mr. McCARRAN. That is the one on which we have just acted.

Mr. BONE. Was the language in reference to being authorized to operate on "the effective date of this section" agreed to?

Mr. McCARRAN. It was agreed to.

Mr. BONE. Let me be clear in my own mind whether that would protect the line operating from Yakima, Wash., to Portland, Oreg., which now has authorization, but is not yet operating.

Mr. McCARRAN. I think it would.

Mr. BONE. I understand that the effective date of the order authorizing them to operate will be May 15, which is only 3 days away; and I want to be sure that they are not foreclosed.

Mr. McCARRAN. I will say to the Senator from Washington that while this amendment may not cover the case he has in mind, it will come as near to it as language can do, so that the authority itself may have the privilege of exercising its judgment in furtherance of fair play and justice.

Mr. BONE. In other words, there is nothing in the language now adopted which would operate as a bar to them if the authority set up in the bill should elect to issue a certificate to them?

Mr. McCARRAN. That is my view.

Mr. COPELAND. That is correct. Their position would not be hazarded by the amendment.

Mr. BONE. My attention was drawn to the amendments suggested by my colleague from the State of Washington [Mr. SCHWELLENBACH]. I am not familiar with the purpose of many of them, so I am rather at a loss; but I understand that the Senator from Missouri is presenting them.

Mr. TRUMAN. I am bringing them up. I think most of them will be accepted.

Mr. BONE. Very well.

Mr. COPELAND. I think this one is along the line that the Senator had in mind.

Mr. HAYDEN. Mr. President, if the Senator will yield, let me say that I think he is aware that quite recently the Post Office Department advertised for bids for certain airmail extensions. It was not possible to make them, however, because the money was not made available until the Post Office and Treasury Departments appropriation bill became a law. Under those circumstances, since we know just what the new routes are—the ones which are now being advertised, and no others—I do not see why we should not make the effective date the date of the enactment of the bill.

Mr. COPELAND. I will ask the Senator from Arizona to repeat that suggestion, so that the Senator from Missouri and the Senator from Nevada may hear it.

Mr. HAYDEN. The only new routes that are to be established are those which are now under advertisement by the Post Office Department. They were authorized to be established, so far as money was concerned, in the appropriation bill enacted at the last session of Congress. They were prevented from being established because of the failure to pass a bill extending the number of miles that might be flown. As soon as that legislation was out of the way, the Committee on Appropriations met the situation by appropriating money for the next fiscal year, the money for the remainder of this fiscal year being now available.

Since we know that those are the only new routes that will be undertaken, since the bids are out and everything is in shape, why not make the date of the enactment of this bill the effective date? Why have a "grandfather clause" that goes back to January 1 or any other date?

Mr. McCARRAN. I think the amendment of the Senator from New York covers that point.

Mr. HAYDEN. This bill will become a law very soon. The House of Representatives has made a similar measure the unfinished business. I was informed today by the chairman of the Committee on Interstate Commerce that they expect to pass the bill next Monday, so the bill will be in conference next week.

I can understand perfectly why, in the case of the introduction of a bill, it might be proper to date back. That would discourage fly-by-night operating; that is all it would be for; but now, when we come to button it up, we know just what the situation is. That is why I have prepared an amendment on page 34, lines 12 and 13, to strike out "so continuously operated, or was authorized to operate, during such period," and in lieu thereof to insert "operated, or was authorized to operate, on the date of the enactment of this act.

Mr. McCARRAN. Does not the amendment of the Senator from New York cover that very matter? It seems to me it does.

Mr. HAYDEN. It fixes the date; but it seems to me the date of enactment is the proper date, rather than to guess at any other date.

Mr. COPELAND. So far as I am concerned——

Mr. McCARRAN. If I may interrupt the Senator from New York, if this matter were dealt with as the Senator from Arizona would do, we should entirely disregard the pioneers of these routes. It has always been the policy of Congress to give due regard to those who pioneered the respective routes. If we do not do that, we lend no encouragement to those who invested their money and put forth their efforts in the establishment of the routes.

If the Senator from Arizona has in mind extensions, they are different from the establishment of routes.

Mr. TRUMAN. I think these are extensions.

Mr. HAYDEN. Practically all of them are extensions.

Mr. McCARRAN. If they are extensions, it seems to me they come under the provisions——

Mr. HAYDEN. I just want to be sure about it. Ordinarily, when a tariff bill is enacted, it goes into effect on the date of its enactment. All of these things are in that shape. Now we are right up to the point where undoubtedly the bill is going to be enacted. It is going to be enacted within the next 3 or 4 days, and if we fix the effective date at April 15, or January 1, or something of that kind, there is an arbitrariness about it which does not appeal to me.

Mr. McCARRAN. That is all right, but the establishment of a line is one thing. The extension of a line is another. I think the whole point of the Senator from Arizona is with regard to the extension of a line already established. If the line be already established, then its rights are not impaired.

Mr. HAYDEN. I am not sure that all of these are extensions. As I remember, for example, there is to be a new line going from a point in Florida by way of Birmingham to Memphis, and perhaps to Kansas City. That is something new.

Mr. McCARRAN. Of course, when we get into that, we are getting into competition, and we are getting into public service, and we are getting into the question of public convenience and necessity. Unless a line has already been established by proper authority, it seems to me it would be unfair to permit it to come in under new legislation, to the detriment of some already established lines.

Mr. HAYDEN. But these lines have been established under proper authority. The representatives of the Post Office Department a year ago came before the Committees on Appropriations of the House and Senate with regard to them.

Mr. McCARRAN. Then they were extensions.

Mr. HAYDEN. They were not all extensions. There were some new routes. I think there is a new route that goes down into Brownsville, perhaps, from New Orleans. I do not think they are entirely extensions; but there was authority of law to establish these new routes, and they were established, and they were ready to go except for the failure to extend the flight mileage.

Congress has provided the money for the remainder of this year and for all of next year. Bids have been duly advertised for, and the lines are ready to go. Why should they be interfered with?

Mr. TRUMAN. Some of the lines which are under consideration were in exactly this fix in 1935 and we reported the same kind of a bill; they were in exactly the same fix in 1936 and we reported a bill in 1937, and they are in the same fix now, and we have the bill up for consideration in 1938. Regardless of the wording, there will be some that will not get under the wire; but if they are authorized by the Post Office Department, and Congress has appropriated the money for the mail routes, there should be faith enough in the authority to know that it will grant certificates of convenience and necessity. I think the amendment of the Senator from New York covers the whole thing.

Mr. HAYDEN. The various Senators who are participating in the debate have spent much more time on this question than I have. I am merely trying to point out that I cannot see what the difference would be between making the date April 15 and May 22.

Mr. McCARRAN. I do not think the Senator will have any complaint to make.

Mr. COPELAND. My judgment is that the lines referred to would be perfectly safe. I would have no objection to making the change. But I think the lines of which the Senator speaks will be protected.

Mr. ANDREWS. Mr. President, I should like to ask a question. At the present time there are two through lines being advertised in Florida, one from Tampa north to Kansas City, through Tallahassee, and another from Jacksonville, Fla., to New Orleans. At the present time there is no established travel over one of these lines. I am wondering just what effect this measure would have on the present advertisement of the Post Office Department.

Mr. McCARRAN. My judgment is that if this bill became effective immediately the new authority would have full power to take hold of the matter where the former authority left off and exercise its judgment along the line as to whether or not there was a question of public necessity and convenience. If there were not, the line would be denied a charter; and if there were, it would be granted, just as the Post Office Department would do now. That is about the only answer I can give to the Senator. If we should keep on legislating from now until doomsday, in view of the growth of the industry, if we passed a bill every day there would be some men trying to get under the wire who would have to face the new authority.

Mr. TRUMAN. I think the new authority would be fair and square to these people.

Mr. McCARRAN. The fact is that the new authority, having much more of a specialized duty, would do very much more toward encouraging these lines if convenience and necessity were a question than would the Post Office Department, with its diversified duties and responsibilities.

Mr. ANDREWS. Would it not be less arbitrary if the effective date should be the date when the act goes into effect?

Mr. McCARRAN. It would not be my judgment, because that would do away with the "grandfather" clause, and I believe in the "grandfather" clause. I believe in encouraging the pioneers of these lines. The amendment of the Senator from New York seems to me to cover the whole situation.

Mr. COPELAND. Mr. President, on page 39, line 20, the committee suggests that the words "any part of whose duty" be stricken out, and that in place of them there be inserted the words "whose principal activity".

Mr. McCARRAN. How will it read then?

Mr. COPELAND. It will read:

The term "pilot" as used in this paragraph shall mean an employee who is responsible for the manipulation of or who manipulates the flight controls of an aircraft while under way, including take-off and landing of such aircraft, and the term "copilot" as used in this paragraph shall mean an employee whose principal activity is to assist or relieve the pilot in such manipulation, and who is properly qualified to serve as such pilot or copilot and is licensed as such by the Authority.

That makes more definite the duties of the copilot.

Mr. McCARRAN. I have no objection.

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

The amendment was agreed to.

Mr. COPELAND. Mr. President, at the bottom of the same page the committee is recommending the same amendment suggested by the Senator from Washington [Mr. SCHWELLENBACH], to strike out the language after the words "Requirement as to carriage of mail", down to the middle of line 6 on page 40, and to insert the words—

Whenever so authorized by its certificate any air carrier shall provide necessary and adequate facilities and service for the transportation of mail, and shall transport mail whenever required by the Postmaster General, such air carrier shall be entitled to receive compensation therefor as hereinafter provided.

That is the language recommended by the committee, and it happens to be the same language the Senator from Washington wants included.

Mr. McCARRAN. Mr. President, if that language shall be adopted, it will destroy the whole theory of the proposed legislation. This legislation was formulated on the theory, in the first instance, that there were to be outstanding and recognized divisions of the industry. Civil aviation was one, and scheduled air transport was another. The amendment of the Senator from Washington, now offered by the Senator from New York, would destroy that whole theory, and it would destroy the continuity of the bill.

Mr. President, that is the trouble with amendments offered at a late hour by those who have not studied the subject under consideration. This subject was studied by some of us who have given our whole time to it for the past 4 years, against opposition and with encouragement, and against encouragement and with opposition. When we establish a policy we do not like to have someone come in and, by a mere sentence, destroy the whole theory of the policy. That is what this amendment would do, and that is why I must oppose it; and I hope it will not prevail.

Mr. TRUMAN. The purpose of the amendment is to make it clear that an air carrier may not transport mail unless it is expressly authorized to do so by the authority, and a certificate of convenience and necessity is issued to the carrier.

Mr. McCARRAN. Certificates of convenience and necessity may be issued to a scheduled air carrier, but it may not have the authority to carry the mail, because the Postmaster General is the one who must give it the mail.

Mr. TRUMAN. But the Postmaster General has to authorize this, in addition to the authority.

Mr. McCARRAN. He has to authorize it, but if we take this language and incorporate it at this place in the bill, we are going to destroy the whole theory and policy of the bill, because we will fail to distinguish between civil aeronautics and air transport, which is the basis of the bill. If we destroy the distinction between civil aeronautics and air transport, then we destroy the whole philosophy of the bill.

Mr. TRUMAN. All this does is to give the authority that is established the power to issue certificates of convenience and necessity, and whenever a line has a certificate of convenience and necessity, and the Postmaster General wants it to, it must carry the mail.

Mr. McCARRAN. That is exactly what the bill provides, but not every air carrier must carry the mail. It is only scheduled air lines that must carry the mail. Why should some intrastate air carrier, which is not scheduled to carry the mail, be required to carry the mail? Why should some private flyer engaged in civil aeronautics be compelled to carry the mail? It is the scheduled air lines that carry the mail, and under the provisions of this bill they must carry the mail when it is brought to them.

Mr. TRUMAN. I do not think any private carrier is to be confused with this provision. If the Postmaster General wants any flyer who has a certificate of convenience and necessity to carry the mail, he ought to do it.

Mr. McCARRAN. Not unless he is engaged in interstate commerce. The Postmaster General could not require just any carrier to do it.

Mr. TRUMAN. I hope the amendment will be agreed to.

Mr. McCARRAN. I am opposed to the amendment, and I hope it will not prevail, because it would destroy the entire philosophy of the bill. I hope the Senate will not destroy the bill. One complaint that arises in connection with any proposed legislation is that amendments are presented which destroy the legislation by those who pick up a bill on their desk and look at it and then think all of a sudden, "I can offer an amendment to this bill that will fit my case." I do not refer to the Senator from Missouri. I know the Senator from Missouri has given study to this matter, and I do not want any remarks I have made to be thought to apply to him. But I say that the amendment offered by the Senator from Washington is not a well-balanced amendment, and is not in keeping with the philosophy of the bill. With everything in me I oppose the amendment, and I hope it will not be agreed to, thus to destroy the continuity of the bill. It is only a line, and seems harmless, but it is harmful to the very extreme.

Mr. ANDREWS. Mr. President, I should like to have the amendment stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 39, line 24, it is proposed to strike out "It shall be a condition upon the holding of a certificate under this title that the carrier holding such certificate shall provide necessary and adequate facilities and service for the transportation of mail, and shall transport mail whenever required by the Postmaster General. Such air carrier shall be entitled to receive reasonable compensation therefor as hereinafter provided" and to insert the following:

Whenever so authorized by its certificate any air carrier shall provide necessary and adequate facilities and service for the transportation of mail, and shall transport mail whenever required by the Postmaster General, such air carrier shall be entitled to receive compensation therefor as hereinafter provided.

Mr. McCARRAN. Mr. President, I again draw the attention of the Senate to the language of the bill. Carriage of mail is now being conditioned upon the holding of a certificate under this title, and that the carrier holding such certificate shall provide necessary and adequate facilities and service for the transportation of mail, and shall transport mail whenever required by the Postmaster General. In other words, every one holding a certificate under the provisions of this bill must transport mail when it is offered to him by the Postmaster General. If any modification be made of that provision it will simply destroy the policy and the philosophy of the bill.

Mr. TRUMAN. I take it the amendment is merely a clarifying amendment.

Mr. McCARRAN. Is there anything about the language of the pending bill that is not clear to the Senator from Missouri?

Mr. TRUMAN. I think the amendment makes it clearer.

Mr. McCARRAN. If language is clear why confuse it by further clarification?

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 39, line 24. [Putting the question.] The Chair is in doubt.

On a division, the amendment was rejected.

Mr. COPELAND. Mr. President, I offer an amendment, on page 48, line 6, after the word "authorizing", to insert "the", and in the same line, after the word "transportation", to insert "of mail by aircraft", so as to read:

Each such contract shall be canceled upon the issuance to the holder of such contract of a certificate of public convenience and necessity authorizing the transportation of mail by aircraft—

And so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York on page 48, line 6.

The amendment was agreed to.

Mr. COPELAND. I offer the same amendment at the bottom of page 48, in lines 24 and 25, after the word "authorizing", to insert "the", and after the word "transportation" to insert "of mail by aircraft."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York on page 48, lines 24 and 25.

The amendment was agreed to.

Mr. COPELAND. I offer an amendment on page 49, in line 8, after the word "application", to strike out "or where a determination by the Authority that a certificate should not be issued."

Mr. McCARRAN. Is that a committee amendment, Mr. President?

Mr. COPELAND. It is. Does the Senator think the committee has had one chance and should not have another?

Mr. McCARRAN. Yes.

Mr. COPELAND. I think the Senator is correct.

The next amendment I wish to offer is on page 67. It is with respect to the matter of monopoly that we discussed this morning. Is it satisfactory to my colleague to strike out the words "unduly" and "unreasonably"?

Mr. TRUMAN. It is not satisfactory to strike out both of them. I will compromise on one.

Mr. McCARRAN. I will go 50–50 with the Senator from New York and the Senator from Idaho [Mr. BORAH]. I think the word "unduly" should remain.

Mr. TRUMAN. I should like to see both words remain.

Mr. COPELAND. On which one can we agree, Mr. President?

The PRESIDING OFFICER. The Chair is unable to tell the Senator.

Mr. COPELAND. I move that both words be stricken out, and then the Senator from Nevada may now move to amend.

On page 67, line 21, after the word "thereby", I move to strike out the word "unduly", and in line 22, before the word "jeopardize", I move to strike out the word "unreasonably". Some Senator may now move to amend.

Mr. McCARRAN. I move to amend by striking out the word "unreasonably."

Mr. McKELLAR. Mr. President, let us vote on both of them. I understood it was agreed earlier in the day, when the Senator from Idaho [Mr. BORAH] was present, that the two words should be stricken out. Unless that agreement is carried out I shall suggest the absence of a quorum, because I think the Senator from Idaho ought to be present when action is taken. It was understood on the floor earlier today that the two words should be stricken from the bill.

Mr. McCARRAN. Mr. President, I think the Senator from Tennessee is correct, and that the record will probably bear him out. I think in a discussion with the Senator from Idaho I did agree that those two words should go out. I wish to correct myself, so that the agreement I had with the Senator from Idaho may be carried out.

Mr. McKELLAR. I thank the Senator. I think both words should be stricken.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New York to strike out the word "unduly" in line 21 and the word "unreasonably" in line 22 on page 67.

The amendment was agreed to.

Mr. COPELAND. Mr. President, the next amendment I offer is on page 52, line 11. After the word "aircraft", where it appears the second time in that line, I move to strike out the comma and insert a period, and to strike out the remainder of subsection (d).

The reason for the amendment is that the very important power of the authority to fix a maximum mail load will be vitiated if the existing wording is retained.

Mr. McCARRAN. I have no objection.

The amendment was agreed to.

Mr. COPELAND. The next amendment is on page 59, line 6. I send the amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 59 it is proposed to strike out lines 6 to 14, inclusive, and to insert in lieu thereof the following:

Except as otherwise provided in section 405 (i) hereof, all appropriations for the transportation of mail by aircraft pursuant to contracts entered into under the Air Mail Act of 1934, as amended, and all appropriations available for the transportation of mail by aircraft in Alaska, shall be available, in addition to the purposes stated in such appropriations, for the payment of compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between points in the continental United States or between points in Hawaii or in Alaska or between points in the continental United States and points in Canada within 150 miles of the international boundary line. Except as otherwise provided in section 405 (i) hereof all appropriations for the transportation of mail by aircraft pursuant to contracts entered into under the act of March 8, 1928, as amended, shall be available, in addition to the purposes stated in such appropriations, for payment to be made by the Postmaster General pursuant to subsection (a) of this section in respect of the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between points in the United States and points outside thereof, or between points in the continental United States and Territories or possessions of the United States, or between Territories or possessions of the United States.

Mr. COPELAND. Mr. President, this change is a noncontroversial matter about which all the air carriers and the post office are agreed. Its effect is merely to keep separate existing appropriations for foreign mail service and the appropriations for the domestic service. These appropriations were made with certain specific services in mind, and in the event there is a deficiency in either, the other should not be resorted to to make it up. Both the air carriers and the Post Office Department feel very strongly that this change should be made. So do I, because I have many times seen the shifting of appropriations in the Department.

Mr. McCARRAN. Mr. President, I have no objection.

Mr. McKELLAR. Will the clerk again state the amendment?

The CHIEF CLERK. On page 59, it is proposed to strike out lines 6 to 14, inclusive, and to insert in lieu thereof the following:

Except as otherwise provided in section 405 (i) hereof, all appropriations for the transportation of mail by aircraft pursuant to contracts entered into under the Air Mail Act of 1934, as amended, and all appropriations available for the transportation of mail by aircraft in Alaska, shall be available, in addition to the purposes stated in such appropriations, for the payment of compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between points in the continental United States or between points in Hawaii or in Alaska or between points in the continental United States and points in Canada within 150 miles of the international boundary line. Except as otherwise provided in section 405 (i) hereof all appropriations for the transportation of mail by aircraft pursuant to contracts entered into under the act of March 8, 1928, as amended, shall be available, in addition to the purposes stated in such appropriations, for payment to be made by the Postmaster General pursuant to subsection (a) of this section in respect of the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between points in the United States and points outside thereof, or between points in the continental United States and Territories or possessions of the United States, or between Territories or possessions of the United States.

Mr. McCARRAN. As I understand, Mr. President, that provision has to do only with the matter of appropriations and nothing else.

Mr. COPELAND. That is correct.

Mr. McCARRAN. So far as that amendment is concerned, personally I have no objection to it.

Mr. McKELLAR. Mr. President, I wish to say that I have very great objection to the amendment, if I understand it; and if I do not understand it, I wish to learn what it is about. It says:

Except as otherwise provided in section 405 (i).

What is provided in section 405 (i)? On what page is it?

Mr. McCARRAN. Page 55, line 19.

Mr. McKELLAR. I wish to read it:

(i) Emergency mail service: In the event of emergency caused by flood, fire, or other calamitous visitation——

Mr. COPELAND. That is not right. It should be subsection (h).

Mr. McKELLAR. Subsection (h) reads:

Evidence of performance of mail service: Air carriers transporting or handling United States mail shall submit, under oath, when and in such form as may be required by the Postmaster General—

I should like to have somebody tell me what section 405 (i) is. The present situation shows how we are legislating.

Mr. TRUMAN. Mr. President, the subsection is subsection (i), and it has to do with emergency mail service.

Mr. McCARRAN. It is subsection (e), on page 59, lines 5 to 14.

Mr. McKELLAR. Very well. We will try page 59, and see what that provides.

Mr. McCARRAN. I am reading the amendment as offered by the Senator from New York.

Mr. McKELLAR. Subsection (e) on page 59——

Mr. TRUMAN. Mr. President, the section to which reference is made is on page 55, and it is subsection (i), entitled "Emergency mail service."

Mr. McKELLAR. We will look at both of them, and see what they mean.

Subsection (e) on page 59 is entitled "Availability of existing appropriations," and it reads as follows:

Except as provided in section 405 (h) hereof, all appropriations for the transportation of mail by aircraft pursuant to contracts entered into under the Air Mail Act of 1934, as amended, or under the act of March 8, 1928, as amended, and appropriations available for the transportation of mail by aircraft in Alaska, shall be available for payments for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, provided for in this act.

Now let me read section 405 (i), on page 55, line 19:

(i) Emergency mail service: In the event of emergency caused by flood, fire, or other calamitous visitation, the Postmaster General is authorized to contract, without advertising, for the transportation by aircraft of any or all classes of mail to or from localities affected by such calamity, where available facilities of persons authorized to transport mail to or from such localities are inadequate to meet the requirements of the Postal Service during such emergency. Such contracts may be only for such periods as may be necessitated, for the maintenance of mail service, by the inadequacy of such other facilities. No operation pursuant to any such contract, for such period, shall be air transportation within the purview of this act. Payment of compensation for service performed under such contracts shall be made, at rates provided in such contracts, from appropriations for the transportation of mail by the means normally used for transporting the mail tranported under such contracts.

Mr. President, that section provides for the transportation of the mail when it is interfered with by flood, fire, or other calamitous visitation. There can be no objection to that. Let us see what the amendment is. The amendment is to strike out, in subsection (e) on page 59, lines 6 to 14, and to insert in lieu thereof the following:

Except as otherwise provided in section 405 (i) hereof—

And that is the calamity or disaster provision—

Except as otherwise provided in section 405 (i) hereof, all appropriations for the transportation of mail by aircraft pursuant to contracts entered into under the Air Mail Act of 1934, as amended, and all appropriations available for the transportation of mail by aircraft in Alaska, shall be available, in addition to the purposes stated in such appropriations, for the payment of compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between points in the continental United States or between points in Hawaii or in Alaska or between points in the continental United States and points in Canada within 150 miles of the international boundary line. Except as otherwise provided in section 405 (i) hereof all appropriations for the transportation of mail by aircraft pursuant to contracts entered into under the act of March 8, 1928, as amended, shall be available, in addition to the purposes stated in such appropriations—

I may say at this point that this provision gives broad authority to use any money which is appropriated for any purpose for any such other purpose as may be desired under the circumstances. It is bad legislation. It is in keeping with the rest of this proposed legislation.

I continue reading—

for payment to be made by the Postmaster General pursuant to subsection (a) of this section in respect of the transportation of

mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between points in the United States and points outside thereof, or between points in the continental United States and Territories or possessions of the United States, or between Territories or possessions of the United States.

I notice that following the draft of the amendment there was certain comment, but the comment has been torn off.

I do not think we should grant such broad authority for appropriations to be used in any way the Department may see fit. For years the Appropriations Committee of the Senate has been fighting to have specific appropriations for specific purposes. That is the only method that is fair and just to the people, and it ought to be followed. We ought not to have a general fund. We might just as well appropriate for the Air Mail Service $40,000,000 or $20,000,000, or whatever the amount may be, and turn them loose without imposing any requirements. We might just as well give them carte blanche to spend the money as they please—to spend it on aircraft of any kind, nature, or description, or to spend it in any other way. We might just as well make a lump-sum appropriation and turn it over to the Air Mail Service.

The proposal is bad legislation. It ought not to be adopted by the Senate. I desire to say that before it is adopted by the Senate, there must be a quorum present. I therefore suggest the absence of a quorum.

Mr. TRUMAN. Mr. President, will the Senator withhold his suggestion of the absence of a quorum so that I may make a motion for a recess until noon tomorrow?

Mr. McCARRAN. Mr. President, I have the floor.

Mr. McKELLAR. No; the Senator has not the floor. I have the floor.

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

Mr. McKELLAR. The Senator may be able to take the floor whenever he pleases under the new regime we have here today; but I wish to state that I have been discussing the amendment in my own right. I have not yielded the floor to anyone. I now suggest the absence of a quorum, and ask the Chair to direct the clerk to call the roll.

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

Mr. McCARRAN. I think the Senator should be reasonable about the matter.

The PRESIDING OFFICER. Will the Senator withhold his suggestion of the absence of a quorum?

Mr. McKELLAR. I yield for a moment.

Mr. McCARRAN. In order that we may settle the parliamentary situation, and the question of who has the floor, I contend that I have the floor, and that I have not yielded the floor, either to the Senator from Tennessee or to anyone else, except that I yielded in order that the Senator might be recognized temporarily to discuss the matter. If I am wrong, I desire to be corrected.

Mr. McKELLAR. I do not know anything about that. I did not ask the Senator's permission to speak. I have been speaking for sometime.

Mr. McCARRAN. That is a common habit with the Senator.

Mr. McKELLAR. It may be; but it is not any more common with me than it is with the Senator from Nevada. I think I know my rights on the floor. I suggest the absence of a quorum, Mr. President, and I demand that the roll be called.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McNARY. Mr. President, may I make a suggestion?

The PRESIDING OFFICER. The Chair would like to state the situation as the Chair understands it.

Mr. McCARRAN. Mr. President, a point of order. The roll call has been started. No one may interfere with the calling of the roll. That is the rule as I understand it. If the Senator from Tennessee wishes to have the roll called, let us have it done.

Mr. McKELLAR. Let the roll be called.

The PRESIDING OFFICER. The clerk will continue the calling of the roll.

The Chief Clerk resumed the call of the roll.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the order for a roll call be vacated, and that the Senate stand in recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none.

RECESS

Thereupon (at 5 o'clock and 3 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 13, 1938, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 12 (legislative day of April 20), 1938

ASSISTANT SECRETARY OF THE TREASURY

John W. Hanes, of North Carolina, to be Assistant Secretary of the Treasury, to fill an existing vacancy.

UNITED STATES DISTRICT JUDGE

Thomas A. Murphree, of Alabama, to be United States district judge for the northern district of Alabama, to fill an existing vacancy.

REGISTER OF THE LAND OFFICE

Fred S. Minier, of South Dakota, to be register of the land office at Pierre, S. Dak. Reappointment.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO ORDNANCE DEPARTMENT

First Lt. John Henry Weber, Field Artillery, with rank from August 1, 1935.

TO AIR CORPS

First Lt. Joseph Edward Barzynski, Jr., Infantry, with rank from June 12, 1937, effective June 16, 1938.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be colonel

Lt. Col. Charles Moore Walson, Medical Corps, from June 1, 1938.

To be captains

First Lt. Ralph Wendell Lewis, Medical Corps, from June 1, 1938.

First Lt. Scott Murray Smith, Medical Corps, from June 1, 1938.

First Lt. Frank Dudley Jones, Jr., Medical Corps, from June 3, 1938.

First Lt. Robert Reed Kelley, Medical Corps, from June 3, 1938.

First Lt. Lee Page Mayes, Medical Corps, from June 7, 1938.

First Lt. Warren Henry Diessner, Medical Corps, from June 8, 1938.

First Lt. Howard Fletcher Currie, Medical Corps, from June 15, 1938.

First Lt. Robert La Tourrette Cavenaugh, Medical Corps, from June 17, 1938.

First Lt. William Frederic Holmes, Jr., Medical Corps, from June 17, 1938.

First Lt. Maurice Crawford Davidson, Medical Corps, from June 24, 1938.

First Lt. Charles Henry Bramlitt, Medical Corps, from June 29, 1938.

DENTAL CORPS

To be major

Capt. Arthur Letcher Irons, Dental Corps, from June 22, 1938.

VETERINARY CORPS

To be lieutenant colonels

Maj. Raymond Thomas Seymour, Veterinary Corps, from June 17, 1938.

Maj. Oscar Charles Schwalm, Veterinary Corps, from June 18, 1938.

Maj. Claude Francis Cox, Veterinary Corps, from June 28, 1938.

To be captains

First Lt. Donald Clifford Kelley, Veterinary Corps, from June 1, 1938.

First Lt. Bernard Francis Trum, Veterinary Corps, from June 25, 1938.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 12 (legislative day of April 20), 1938

PROMOTIONS IN THE NAVY

TO BE ENSIGNS TO RANK FROM THE 2D DAY OF JUNE 1938

Jamie Adair
Benjamin C. Adams
Charles O'N. Akers
Raymond W. Alexander
Lodwick H. Alford
Eric Allen, Jr.
Robert M. Allison
Charles A. Anderson
Edward L. Anderson
James G. Andrews
Robert J. Antrim
Charles S. Arthur, Jr.
Evan P. Aurand
Oliver W. Bagby, Jr.
Elward F. Baldridge
Daniel A. Ball
Frederic A. Bardshar
Edwin T. Barrett
John A. Bartol
Harry B. Bass
John F. Bauer
Henry L. Beardsley
James H. Beeman
Paul L. Benthin
Howard B. Berry, Jr.
Raymond Berthrong
Philip A. Beshany
Joe L. Bettinger, Jr.
Robert G. Bidwell
John E. Black
John T. Bland, 3d
Eugene R. Blandin
William G. Blasdel
Robert P. Blauvelt
Louis K. Bliss
Frank L. Bogart
John A. Bogley
Cecil A. Bolam
James A. Boorman, Jr.
Strong Boozer
Wilton G. Bourland
John M. Bowers
Richard H. Bowers
Gideon M. Boyd
James A. Boyd
William H. S. Brady
James E. Brenner, Jr.
Irwin T. Brooks
Charles D. Brown
Frederick W. Brown, Jr.
John R. Brown
Kenneth S. Brown
William G. Brown
Edward J. Bryant
Marion H. Buaas
George C. Bullard
Andrew L. Burgess
John Burkhardt, Jr.
John C. Burrill
William J. Bush
Mitchell F. Buszek
Robert B. Byrnes
Robert G. Bywater
Charles R. Calhoun
Cornelius P. Callahan, Jr.
Freeland H. Carde, Jr.
Robert W. Carter
Frank D. Case, Jr.
John J. Cassidy, Jr.
Albert T. Church, Jr.
Alto B. Clark
Howard F. Clark
Ernest D. Cody
Abe F. Cohen
David B. Cohen
Gene Collison
William J. Collum, Jr.
Edward E. Conrad
Homer E. Conrad
William R. Cook
James S. Cooley
Charles D. Cooper
Asbury Coward
Robert D. Cox, Jr.
Wilson H. Cranford
Richard G. Crommelin
Robert E. Cutts
John E. Dacey
George F. Dalton
John S. Dalton
James W. Danforth
George S. Daunis
Louis E. De Camp
Henry H. de Laureal
Willis R. Denekas
Frederick G. Dierman
William H. Dimmick
James Douglas
Raymond F. DuBois
Marion W. Dufilho
Carl R. Dwyer
Victor A. Dybdal
Lawrence D. Earle
John C. Eckhardt, Jr.
Dennett K. Ela
Joe C. Eliot
James F. Ellis, Jr.
John L. Erickson
Leon S. Eubanks
John T. Eversole
Claude S. Farmer
Wells C. Felts
John B. Ferriter
Irwin F. Fike
Richard V. Fincher
William S. Finn
Howard P. Fischer
Joseph P. Fitz-Patrick
Robert C. Fletcher
Harry J. P. Foley, Jr.
Thomas M. Foster
Irvin J. Frankel
Joseph W. Frorath
Norman E. Fryer, Jr.
Clark H. Fuller, Jr.
Edmundo Gandia
Bricker McD. Ganyard
Floyd B. Garrett, Jr.
Charles R. Gebhardt
Robert C. Giffen, Jr.
Hurlbut E. Gillmor
James B. Ginn
William R. Glennon
Charles V. Gordon
Victor B. Graff
Herbert S. Graves
Roy E. Green, Jr.
Phillip E. Greenwood
Theodore A. Grell
Guy F. Gugliotta
Timothy J. Guinan
Ira F. Haddock
John L. Haines
Preston B. Haines, Jr.
Roy O. Hale, Jr.
David P. Hall
Donald W. Hamilton, Jr.
Harold S. Hamlin, Jr.
Keene G. Hammond
Richard S. Harlan
Leonard E. Harmon
Myles F. Harr
Daniel J. Harrington, 3d
David L. Harris
Charles S. Hart
Charles C. Hartigan, Jr.
Morton Harvey
Henry T. Haselton
William A. Hasler, Jr.
Hamilton O. Hauck
John E. Hausman
Richard M. Hayes
Vernon R. Hayes
Russell H. Hedgecock
Daniel E. Henry
Walter A. Hering
Grant S. Heston
John Hilton, Jr.
Gerald G. Hinman
Robert C. Hoffman
Cleon J. Holden
Albert F. Hollingsworth
Alan J. Holmes
Carl B. A. Holmstrom
Charles H. Holt
Harrison H. Holton
Curtis W. Howard
Harry E. Howell
Rhonald J. Hoyle
Emery H. Huff
William R. Hunnicutt, Jr.
Samuel H. Hunter, Jr.
Francis H. Huron
David N. Inbusch
Thomas R. Ingham
William T. Ingram, 2d
Robert K. Irvine
John C. Isham
Andrew D. Jackson, Jr.
Henry S. Jackson
Robert L. Jackson
Arnold E. Jakel
Edward B. Jarman
William F. Jennings
Leo R. Jensen
Arthur F. Johnson
Charles R. Johnson
Cecil V. Johnson
Lauren E. Johnson
Richard E. Johnson
Frank C. Jones
Jep "C" Jonson
Alan R. Josephson
Herbert R. Kabat
John C. Kelley
Monroe Kelly, Jr.
Edgar J. Kemp, Jr.
Robert M. Kercheval
Charles J. King
William L. Kitch
William M. Klee
Norman J. Kleiss
Randolph Klippel
Elton L. Knapp
Rubin H. Konig
Walter H. Kreamer
Herman T. Krol
Alden J. Laborde
William L. Lamberson
Henry C. Lauerman
William M. Laughlin, Jr.
William C. Leedy
John A. Leonard
William N. Leonard
John K. Leydon
Ralph H. Lockwood
Paul C. Lovelace
Edward M. Luby
Frank C. Lynch, Jr.
Charles M. MacDonald
John R. Maclachlan
Beriah Magoffin, 3d
Robert C. Main
Robert R. Managhan
Herbert I. Mandel
Stephen S. Mann, Jr.
Edward S. Manown
Jack E. Mansfield
Charles A. Marinke
James A. Marks
Richard M. Marsh
Harry C. Mason
John D. Mason
James A. Masterson
Woodrow W. McCrory
Lucien B. McDonald
Joseph M. McDowell
Fred E. McEntire, Jr.
Alan R. McFarland
Charles F. McGivern
John W. McManus
Robert W. McNitt
Lionel T. McQuiston
Clarence A. Melvin
Willard de L. Michael
Robert L. Middleton
Robert C. Millard
Herman E. Miller
Alphonse Minvielle
Charles S. Moffett
Raymond A. Moore
Robert J. Morgan
Charles H. Morrison, Jr.
Richard D. Mugg
Frederic W. Muir
George R. Muse
John N. Myers
George F. Neel, Jr.
Nels R. Nelson
Robert B. Nelson
David G. Nickerson
Harold E. Nixon
Charles R. Norris, Jr.
Leslie J. O'Brien, Jr.
Elvin C. Ogle
Andros Olah
Albert R. Olsen
Robert A. O'Neill
John C. Owen
James M. Palmer

Oscar B. Parker
James R. Payne
West A. Payne
Ben B. Pickett
Edwin L. Pierce
Heber Player
Charles E. Pond
Andrew W. Prout, Jr.
Douglas H. Pugh
Frank B. Quady
Conde L. Raguet
Donald B. Ramage
William "K" Ratliff
Wilmer E. Rawie
James H. Ray
Jackson H. Raymer
John T. Ready, Jr.
John W. Reed
Miles P. Refo, 3d
Charles J. Reimann
George R. Reinhart, 3d
Thomas K. Richards
George F. Richardson
William P. Riesenberg
Frank H. Rile, Jr.
Maurice H. Rindskopf
Charles M. Robertson
Jack L. Robertson
Hugh M. Robinson
Kenneth G. Robinson
Herman K. Rock
Leon W. Rogers
William K. Rogers
Robert W. Rynd
William J. Salmon
Richard D. Sampson
Alvin F. Sbisa
Robert A. Schelling
William J. Schlacks, Jr.
Fred J. Schroeder
Paul G. Schultz, Jr.
Vincent E. Schumacher
Leo R. Schwabe
Robert E. Seibels, Jr.
Raphael Semmes, Jr.
Wade C. Shaffer, Jr.
Walter A. Sharer
Raymond Shile
John B. Shirley
Francis W. Silk
Vincent M. Sim
Harvey H. Sims, Jr.
Robert E. Sinnott
William A. Sissons
David K. Sloan, Jr.
Gordon F. Smale
Walter L. Small, Jr.
Donald E. Smith
John C. H. Smith
Donald D. Snyder, Jr.
Verner J. Soballe
Nathan Sonenshein
Charles D. Sooy
William O. Spears, Jr.
Elbert D. Sprott, Jr.
Roger N. Starks
Sherman H. Stearns
John F. Stevens
James J. Stilwell
Sheldon C. St. John
Harry B. Stott
Ira G. Stubbart
Thomas H. Suddath
Eugene T. B. Sullivan
Irving J. Superfine
Henry E. Surface
Wendell W. Suydam
John R. Sweeney
Paul E. Taft
William J. Tate, Jr.
Leonard W. Thornhill
James E. Tinling
Everett A. Trickey
Joseph R. Tucker
Michael T. Tyng
Newell F. Varney
Eli Vinock
John J. Walsh
Thomas Washington, Jr.
John M. Waters
William P. Watts
Herold J. Weiler, Jr.
Heydon F. Wells
Cecil R. Welte
Otis A. Wesche
Edwin M. Westbrook, Jr.
Ralph Weymouth
Frank D. Whalen
George A. Whiteside
John E. Wicks, Jr.
Gordon B. Williams
Osborne B. Wiseman
Bernard M. Wolfe
Ernest W. Wood, Jr.
Richard H. Woodfin, Jr.
Edwin F. Woodhead
John F. Woodruff
Harry E. Woodworth
Robert K. R. Worthington
Arthur B. Yeates, Jr.
Frank A. Zimanski
Conrad J. Zimmer
Oswald A. Zink

MARINE CORPS

To be colonel

Harry L. Smith

To be lieutenant colonels

Oliver P. Smith
Henry D. Linscott

To be majors

Augustus H. Fricke
Julian N. Frisbie

To be captains

Luther S. Moore
Harry S. Leon
Nelson K. Brown

To be second lieutenants from the 2d day of June 1938

Robert W. Shaw
John A. Saxten, Jr.
Douglas E. Keeler
Carl J. Fleps
George R. Newton
Paul E. Becker, Jr.
Alfred L. Booth
Raymond H. George
Carlo A. Rovetta
Richard D. Weber
Dorrance S. Radcliffe
Charles M. DeHority
Cyril E. Emrich
William P. Spencer
Nathan T. Post, Jr.
William A. Houston, Jr.
James J. Owens
Alton D. Gould
Richard B. Church
John S. MacLaughlin, Jr.
John W. Howe
Howard B. Benge
Clarke J. Bennett
Thomas L. Lamar
Hugh M. Elwood
Randolph C. Berkeley, Jr.

To be chief pay clerk

Carlton L. Post

WITHDRAWAL

Executive nomination withdrawn from the Senate May 12 (legislative day of April 20), 1938

DIPLOMATIC AND FOREIGN SERVICE

Albert C. Schwarting, of Wisconsin, to be a Foreign Service officer, unclassified, vice consul of career, and secretary in the Diplomatic Service of the United States of America.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 12, 1938

The House met at 11 o'clock a. m.

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

Heavenly Father, Thou who art the light of life, Thou who dost stoop from the stainless heights of purity, hear our petition, we beseech Thee. Knock at the door of every heart and seal it with Thy merciful presence. We pray Thee to keep us strong, just, and true with spiritual devotion and power. Stir our immortal spirits with a vision that shall conquer fears, transfigure disappointments, and immortalize our fondest hopes. Blessed Lord, may we walk in peace, free from the agitations and the surgings of these tumultuous times; keep us steadfast in self-discipline. Bless all homes and remember the little children who are growing into the years. May such influences be about them which shall lead them into the paths of virtue and truth. Harken unto all unvoiced hearts and loves which are never heard save by the ear of our All-Father. When this day dies into the dark, be pleased to give us rest. Through Christ. 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, with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10315. An act to amend the Merchant Marine Act, 1936, to further promote the merchant marine policy therein declared, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House thereon, and appoints Mr. COPELAND, Mr. SHEPPARD, Mr. BAILEY, Mrs. CARAWAY, Mr. CLARK, Mr. McNARY, and Mr. GIBSON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed the following concurrent resolution:

Concurrent Resolution 34

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H. R. 4276) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia," and for other purposes, the Clerk of the House

is authorized and directed to renumber the sections beginning with section 26 so that the last section of the bill will be numbered 43, and to make necessary changes in references to sections.

RESIGNATION

The SPEAKER laid before the House the following notice of resignation:

WASHINGTON, D. C., *May 11, 1938.*

Hon. WILLIAM B. BANKHEAD,
Speaker, House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I beg to inform you that I have this day transmitted to the Governor of Kentucky my resignation as a Representative in the Congress of the United States from the Eighth District of Kentucky, effective May 12, at 10 o'clock a. m. eastern standard time.

With kindest regards,
I am truly,

FRED M. VINSON.

NATIONAL LABOR RELATIONS BOARD

Mrs. NORTON. Mr. Speaker, I report a privileged resolution, House Resolution 490, which I send to the Clerk's desk.

The Clerk read the resolution, as follows:

House Resolution 490

Resolved, That the President be requested to furnish the House of Representatives the names and addresses of all persons now employed by the National Labor Relations Board, the age of each person so employed, the place of birth of each person, where last employed and by whom, the rate of pay received from the former employer, and the rate of pay now being received as an employee of the National Labor Relations Board.

Mrs. NORTON. Mr. Speaker, I move that the resolution be laid on the table.

The motion was agreed to.

A motion to reconsider was laid on the table.

HON. CORDELL HULL

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. SCOTT. Mr. Speaker, I read in the Washington Star last night a rumor to the effect that the Secretary of State, the Honorable Cordell Hull, was threatening to resign. I note with great relief a complete denial of that rumor in the Washington Post of this morning.

Because of the record of the Secretary of State, because of the fundamental principles of international relations announced by him, because of the thoughts expressed by him in his Press Club speech, and because of his work for reciprocal-trade agreements, I ask unanimous consent to revise and extend my remarks on his activities as Secretary of State.

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

There was no objection.

Mr. SCOTT. On many occasions I have said that the best way to keep America out of war would be for the treaty-observing nations of the world to cooperate in bringing moral and economic pressure to bear on the aggressors of today. The principles of world peace enunciated by Secretary Hull and his speech to the Press Club make it impossible for me to believe that the Secretary is in favor of an isolation policy for America. Believing this, then, I believe he should remain the head of the State Department.

It is my firm conviction that public opinion in America today is in favor of peaceful cooperation to end war, and against America's continued cooperation with Hitler and Mussolini in their invasion of Spain. Some say that only the left wingers in America are in favor of lifting the Spanish embargo. I feel sure that the Secretary of State does not take such a charge any more seriously than the charge deserves.

Because I feel that the Secretary of State is thinking right on the subject of world peace, I hope he remains in his present position. I shall continue to hope this until I am convinced that he is not thinking right.

EXTENSION OF REMARKS

Mr. McGRATH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill H. R. 4199, the General Welfare Act.

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

There was no objection.

FEDERAL OLD-AGE PENSIONS AND THE GENERAL WELFARE ACT

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the subject of national old-age pensions.

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

There was no objection.

Mr. LEAVY. Mr. Speaker, I desire to briefly add to the many speeches that have been made and the mass of material that has been offered during this Seventy-fifth Congress by 150 Members of this body who have urged consideration and enactment into law of H. R. 4199, known as the General Welfare Act.

The fight to secure recognition and consideration for the General Welfare Act has been a discouraging and uphill one through this whole Congress. There is room for just criticism of legislative rules that deny more than one-third of the membership the privilege of having considered legislation that they sponsor. There are more than 150 Members of the House of Representatives, and included in this movement is the entire delegation from the State of Washington, who have been doing everything in their power to bring to the floor of the House for consideration H. R. 4199, the General Welfare Act.

It is perplexing to us who see the wisdom and believe in the justice of H. R. 4199, as it was introduced by Congressman CROSBY, of Pennsylvania, in the early days of this Congress, to be brought to the realization that we are going to be denied the opportunity of even having a hearing on the bill and bringing it out on the floor for consideration.

MUST HAVE UNIVERSAL NATIONAL OLD-AGE PENSION

I have always felt that nothing short of a national old-age pension was workable in this country. I have likewise always felt that the simplest form of common justice, which all Americans so love, requires and demands that there be a national old-age pension, and that it be in the largest sum that can be paid consistent with our national economy. The operation of the social-security law in administering the old-age assistance provisions in cooperation with the States has clearly demonstrated to all of us that we cannot have 48 varying and discriminating old-age pension systems. It is resulting in making human suffering and misery a political football in every State and county election throughout the Nation.

I am sure the combined membership of this Congress, if it were permitted to have hearings and an open and free discussion on the floor of the House, would work out a tax formula that would in the end prove a blessing to all people in this country and would bring happiness, comfort, and peace into the lives of the millions of fine old folks where today we find sorrow, misery, and despair.

CONGRESSMEN SOMETIMES FORGET

It is unfortunately too easy sometimes for Members of Congress to forget the real pictures of discouragement, poverty, and social injustice that prevail in their home districts when they are removed many miles from them. These pictures, however, are so real to me that irrespective of where I might go or where I might be, or what surroundings might exist, I shall never forget them. These sad pictures are painted indelibly upon my mind from the many experiences that I had during the 10 years before coming to Congress, while I was a judge of the Superior Court of the State of Washington. We must correct the social and economic wrongs that created them.

ALWAYS CHAMPIONED OLD-AGE PENSIONS

When I came to Congress in January 1937 I came with a firm resolve to work for and aid in bringing about the enactment into law of the principles of a national old-age pension which had their origin in the Townsend movement, and which principles were expressed concretely in the second McGroarty bill, and later were more fully and completely written into the General Welfare Act, introduced by Congressman CROSBY, of Pennsylvania.

When the Ways and Means Committee indicated that they would not grant hearings on H. R. 4199, I was among the first to sign the discharge petition of Congressman HARRY SHEPPARD, of California, which petition now has 123 names upon it, and which, if it would receive 218 names, would automatically bring the bill on the floor for debate and consideration. I was likewise named as one of the steering committee of 40 Congressmen to work to bring this bill out on the floor, and I am still actively working with that committee. I also joined with 154 Congressmen in signing the petition and letter addressed to Chairman DOUGHTON, of the Ways and Means Committee, insisting that the committee, of which he is chairman, grant a hearing on H. R. 4199. I have worked in every way that I could to get consideration for this all-important piece of legislation, and it is, indeed, disappointing to be compelled to admit that the situation does not look at all hopeful.

PRINCIPLES AND NOT PERSONALITIES ARE ALL IMPORTANT

There are many reasons that might be given as to why we have not been able to have the principles of the General Welfare Act enacted into law. There have been objections made to certain features of it, and unfortunately a few of those original proponents have stood adamant against any change, even though more than 90 percent of the Congressmen who favor this legislation were willing that amendments be made to the bill. I have taken the position at all times that it is principles that we are concerned with and not details. There have been unfortunate differences of opinion between groups sponsoring old-age pensions, and this has retarded progress tremendously. I have also taken the position that personalities and individualities must not be allowed to hinder consideration and enactment into law the principles of this legislation. Unhappily, a few unscrupulous persons have actually made a money-making racket of old-age pensions.

On the other hand, there has been much unselfish and generous work for H. R. 4199 by individuals here who are not concerned with making money out of their activities or winning personal fame nor denouncing any other group or groups, but who are working unselfishly and untiringly to bring about the enactment of the bill into law with or without amendments.

WORKERS OUTSIDE OF CONGRESS

Undoubtedly, the outstanding individual, outside the Members of Congress, who has carried on quietly, tactfully and convincingly, and who has accomplished perhaps more than any other person during the Seventy-fifth Congress to win support for H. R. 4199, is Arthur L. Johnson, the man who wrote the General Welfare Act, and in writing it, found it necessary to add some 300 amendments to the second McGroarty bill, all of which won the approval of Dr. Francis E. Townsend. He has not insisted upon any pride of authorship but has been willing to listen to reason and accept modifications for further amendments. When Congressman BOILEAU, of Wisconsin, one of the veteran Progressive leaders of the House, suggested a series of amendments that would preserve the principles of the original act, and make it more workable, he accepted them, and this fact brought many new supporters. I firmly believe that if all groups and leaders in the old-age pension movement had shown the same fine spirit of cooperation, we would have had action upon the General Welfare Act long ago, or at least would have begun to remedy the terrible wrongs that we have allowed to grow up by which security and justice are denied to the old people, who are veterans of 40 years of struggle in making America both materially and spiritually, the greatest Nation on earth.

It is deeply to be regretted that there have been instances, perhaps few in number, where persons have gone about the country giving lip service to the cause of old-age pensions, but doing so only at a lucrative income to themselves. It was brought to my attention recently that one official in an old-age pension movement who had no property whatever 2 years ago, now lives in comfort and luxury, has purchased a fine new home and drives a splendid automobile, all of which represents contributions in the form of nickels and dimes from trusting, kindly, and deserving old people who gave them, believing that they were furthering a great humanitarian cause. It is such individuals that have set back the movement beyond calculation. To offset this fact, there are in every section of the land splendid men and women who have given unstintingly of their time and money to further the high ideals expressed in the General Welfare Act. I have in mind, particularly such men as the Honorable George A. Hormel, of California, head of the great Hormel Packing Co. What a marvelous example he has set for other industrialists in America. I also have in mind such tireless workers as Otto Case, former treasurer of the State of Washington.

AMERICA HAS GREAT POTENTIAL PRODUCTIVE CAPACITY

Mr. Speaker, I said a little while ago that we were a great and rich country. We can afford to absolutely guarantee to every American irrespective of what accumulation of wealth he may have, if any, when he reaches the age of 60, that upon retiring from gainful employment at any time thereafter, he shall receive a cash monthly pension, in such sum as a given tax, whether it be a gross income tax or transaction tax, will produce each month. In passing I might say that I prefer the gross income tax as a more workable formula for spreading our national annual production and creating consumer buying power. The gross income tax is easily ascertainable and easily collected. It would be paid at the end of each month by every person, firm or corporation in America subject to it and payment could be made at convenient places, perhaps the post offices. It then could be disbursed within a short time after collection, again at a minimum cost and would result in a direct pay-as-you-go pension program.

I make the above statement because all of us know that we have potential productive capacity in this country that would make what I have said possible, and would likewise give to every young man and woman in this Nation an opportunity to find a job, earn a living, and maintain individual independence.

Recently there appeared in a financial journal published in London, called the Sphere, a statement of our material wealth, and while it has been quoted a number of times, it is worth referring to again. In this statement we are informed that 6 percent of the world's area and 7 percent of its population are contained in the United States. We normally consume 48 percent of the world's coffee, 53 percent of its tin, 56 percent of its rubber, 21 percent of its sugar, 72 percent of its silk, 36 percent of its coal, 42 percent of its pig iron, 47 percent of its copper, and 69 percent of its crude petroleum.

We are further informed that the United States operates 60 percent of the world's telephone and telegraph facilities, and its citizens own 80 percent of the motor cars in use, and we operate 33 percent of the railroads. We produce 70 percent of the oil, 50 percent of the wheat and cotton, and 50 percent of all copper and pig iron and 40 percent of the lead and coal output of the whole world.

In addition to this, we possess more than $11,000,000,000 in gold, which is over half the world's gold. Our purchasing power, if it is permitted free play, is greater than that of the 500,000,000 people in Europe and much larger than the billion people who live in Asia, and still we must shame-facedly admit we have one-third of our population "ill-clad, ill-housed, and ill-fed."

With this marvelous plant of production is it any wonder that many of us grow restless because we are not making the most out of it? Of course, we must change the rules which are our State and National laws so that existing evils and abuses will be eliminated. But in making those changes we

must preserve our richest heritage, which is constitutional government. Both of these conditions are being sought after by President Franklin D. Roosevelt. I believe that his efforts would be greatly accelerated by the enactment into law of the principles found in H. R. 4199. I am sure the enactment of the principles of the general welfare act would go a long way toward making it possible for us to bring into the fullest use our plant of production.

WILL ALSO NEED OTHER LEGISLATION

I realize that going along with such legislation there would likewise have to be legislation giving us complete governmental control of the money and credit of this Nation, and for that reason I was delighted to be one of the coauthors of a bill that would make the Government the owner of the 12 Federal Reserve banks. I realize, too, that we must enact legislation that will control the private monopolies set up through corporate structures that in many instances carry on their businesses without even the slightest regard to the welfare of the average American citizen.

WE MUST SOLVE THIS PROBLEM

Mr. Speaker, while I have been much discouraged at what appears to me to be the slow progress we have been making in our tremendous social and economic problems, I still feel that the situation is far from hopeless, and if we can unite upon primary objectives and cease to fight on matters that involve personalities and trifles, the millions of Americans who are as deserving as any generation that has ever lived and who are now in the evening of their lives will yet have an opportunity to see a grateful nation express its gratitude and permit them to go on to their journey's end freed from the old fears that come with undeserved poverty.

EMERGENCY RELIEF AND FEDERAL PUBLIC-BUILDINGS BILL

Mr. O'CONNOR of New York. Mr. Speaker, I call up House Resolution 497.

The Clerk read the resolution, as follows:

House Resolution 497

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 679, a joint resolution making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public works projects, and all points of order against said joint resolution are hereby waived. That upon the expiration of the general debate fixed by order of the House of May 4, 1938, the joint resolution shall be read by sections for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order any amendment offered by direction of the Committee on Appropriations. At the conclusion of such consideration the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and the amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. O'CONNOR of New York. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, this is a rule for the consideration of the relief bill. It is made necessary because of objection having been lodged against unanimous consent to consider the bill for amendment. The bill as reported by the Committee on Appropriations, of course, is not privileged. It is not a general appropriation bill.

This is an open rule permitting germane amendments by any Member. While it waives points of order, we understand there are no matters in the bill subject to a point of order, except possibly that the committee may desire to offer one amendment which might be subject to a point of order.

We are anxious to bring the bill to a final vote tonight. This anxiety grows out of the fact that about 200 Members of Congress desire to take the annual congressional trip to Boston this time. Furthermore, all expedition possible should be made to pass this legislation. I trust the consideration of the bill will be completed before we adjourn tonight, no matter how late we must stay with it. Several days debate on amendments would not contribute anything more enlightening than will one day's discussion, any partisan or demagogic argument to the contrary notwithstanding.

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

Mr. O'CONNOR of New York. I gladly yield to the distinguished gentleman from Virginia, who is more familiar with the subject matter of this bill than any other Member.

Mr. WOODRUM. Supplementing what the distinguished chairman of the Committee on Rules has stated about the desirability of completing the consideration of the bill today, I may say that I personally have no objection to going ahead tomorrow and Saturday with the bill, but the condition obtains that the gentleman has suggested, a good many Members of the House are anxious to leave the city, and if the consideration of the bill is not completed today it will have to go on tomorrow. Therefore, I just want to say that because it is going to be necessary in considering the bill under the 5-minute rule to adhere to the 5-minute rule, and because there have been 10 hours of general debate, the committee hopes very much that the membership of the House will be willing to remain present and cooperate in expediting the consideration of the bill.

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

Mr. O'CONNOR of New York. I gladly yield to the distinguished majority leader.

Mr. RAYBURN. I may say, Mr. Speaker, it is the intention to remain in session this afternoon or evening until the consideration of this bill is completed.

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

Mr. O'CONNOR of New York. I yield to the distinguished gentleman from Wisconsin, who always takes such a sincere interest in relief proposals.

Mr. BOILEAU. The gentleman from Virginia said it would be necessary to adhere to the 5-minute rule. I presume some arrangement could be made whereby we would have liberal debate on bona fide amendments and restrict debate on so-called pro forma amendments. I sincerely hope there will be adequate opportunity for full debate on legitimate amendments that are offered.

Mr. O'CONNOR of New York. I am sure that will be done.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. O'CONNOR of New York. I yield to the distinguished gentleman from New York.

Mr. TABER. What amendment does the gentleman understand will be offered by the committee under the reservation to the committee to offer amendments not germane?

Mr. O'CONNOR of New York. I understood it was the amendment with reference to housing; but I yield to the gentleman from Virginia, who is familiar with the matter, as I am not, to give a more detailed answer.

Mr. WOODRUM. As the gentleman from New York, of course, knows, when the provision was inserted in the rule, the amendment the committee had in mind was the amendment with reference to the United States Housing Authority. Since that time, however, the Committee on Appropriations has favorably reported an amendment making available additional funds for the Rural Electrification Administration; and this amendment will be offered as a committee amendment under the power given in the rule.

Mr. TABER. As I understand, it is not contemplated to offer the housing amendment?

Mr. WOODRUM. It is not.

Mr. TABER. I may say I believe the bill should be thoroughly debated. I am prepared—and I understand the members of the minority are also prepared—to stay here as long as necessary to complete the consideration of the bill, either today or on tomorrow or Saturday. However, it is our contention that the bill should be thoroughly debated so the people may know just what is being put through.

Mr. O'CONNOR of New York. Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I had hoped on yesterday to find time to address myself to the very interesting and at the same time disturbing provisions in the pending bill, so at this time under the rule I shall simply exercise the dual function of economizing on time and expediting the matter and refraining from lengthy discussion when the bill comes up under the 5-minute rule.

Oddly enough, this provision comes along at a time when we are about to observe the sixty-eighth anniversary of the adoption of the State constitution in the State of Illinois.

As I recall, it was on the 13th of November 1870 that our constitution was adopted by a State convention and on the 2d of July of the same year it was ratified by the people of the State. This makes the provisions in the pending bill all the more interesting to me.

Efforts, of course, have been made to amend that constitution from time to time. Some of them have been successful and some of them have failed, but when that constitution was adopted the people of the State of Illinois provided a twofold method of amending our constitution. The first one, of course, is by the convention method, but any activity or any proposal or any matter submitted by the convention must first be submitted to and ratified by the electors of the State before it becomes effective.

The other method was to adopt proposals by a two-thirds vote of both houses of the State legislature, and having done so, then to submit them to the electorate.

However, there was an added restriction in the constitution, namely, that only one proposal could be submitted at any one session of the legislature.

This constitution, as adopted and as amended by the people of the State of Illinois, is intact today, and in that constitution we find a provision that I believe will strike a response in the minds of a great many who have a similar condition in their State.

Article IX, section 13, of the Illinois Constitution provides as follows:

> That no county, city, township, school district, or other municipal corporation shall be allowed to become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding 5 percent of the value of the taxable property therein.

This provision was in the original constitution, and so our counties, our cities, our school districts, and our other municipal corporations cannot today by excessive expenditures or otherwise plunge those corporations into debt beyond the constitution limit of 5 percent of the taxable value therein.

This has been ratified by the people of the State of Illinois, and I think the words, "for any purpose" or "in any manner," are particularly noteworthy and worthy of emphasis, because they indicate the intent of the framers of the constitution, and I believe indicate the intent of the people in ratifying that constitution to put some restriction upon the spending activities of those officials who are guiding the destinies of our local municipal corporations.

Now, in view of this limitation in the constitution of my own State, let me direct your attention to that provision in the pending bill which is found on page 19, section 201, paragraph (e) of title II, which in substance provides that in the event that a constitutional limitation does exist which prevents a public body from participating in a loan and grant for public works, the Administrator, with the approval of the President, may advance money to such a body upon an agreement to pay back at least 55 percent of the money with interest over a period not exceeding 25 years.

When Mr. Ickes, the Secretary of the Interior and the Administrator of P. W. A., was before the committee, you will find recorded at page 376 of the hearings his idea of the method of operation in effectuating an agreement or a lease or a contract with local officials where a constitutional limitation exists, and in substance it provides for the investment by the Federal Government of 100 percent, no securities to be issued by the municipal corporation, and Uncle Sam to lease, or by agreement or otherwise to make these facilities or projects available to such a locality, the repayment to be spread over a period of 25 years, and the interest to be figured in the amortization cost.

This proposal presents a very pertinent and interesting question to me. First of all, can this be considered a device for torpedoing our State constitutions and flouting the expressed will of the people? I am just posing the question because others are just as much interested as I. Would not the making of a lease or agreement by county or city officials be the acknowledgment of a debt and, if not, why have any agreement at all?

I am thinking of this in the light of the express language of the Illinois Constitution, which says they must not incur this debt in any manner or for any purpose, and if ever the English language was explicit, it is explicit in those words in indicating the intent of the people and the framers of the constitution to put these limitations upon public officials.

Now then, another question. Funds with which to make the amortized payments on such a lease or agreement would have to be obtained through current taxes, and would not the very first payment under such a lease or agreement be tantamount to the acknowlegement of a debt? If it is not a debt, how could the Federal Government enforce collection on such an agreement and what would prevent any municipal corporation from repudiating the obligation at any time? How could any group of officials who negotiate such an agreement bind officials who might succeed them? What would prevent any taxpayer from enjoining a city or county from making payment on such a lease or agreement or enjoining such officials from collecting and imposing taxes for such purpose on the ground that it is a device for contravening the spirit and purport of the constitution of the State?

Can any other interpretation be placed upon this provision in the bill than that it is a device to circumvent the State constitution by making projects available to communities which are now barred by the constitution from incurring greater debts, and if it is successful, does it not set a precedent for the adoption of other schemes and devices to avoid the State constitution and thus deliberately and wilfully negative the will of the people as expressed in the State constitution? If the Congress adopts this provision and becomes a party to the scuttling of State constitutions, by what morality or logic does it expect to defend the Federal Constitution against equally ingenious schemes and devices to set its provisions at naught? If one mandatory provision of a State constitution can be thus cleverly nullified by action of the Congress, then all or any provisions of such constitution can be voided and the whole scheme of dual sovereignty and separate powers at once become a hollow fiction. The Congress should think twice before it places approval on this provision of the bill.

The argument for the retention of this provision in the bill will be that distressed communities in need of help are now barred from such aid by the debt limit in the State constitution. That argument is beguiling enough, but the answer is that in view of the vast funds made available in this bill, it would be better to grant the money to such communities outright rather than to nullify and dismember the organic act of a State and set in motion the forces that might ultimately wreck the whole system of separate and divided powers between the State and Federal Governments.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 3 minutes more.

Mr. DIRKSEN. Mr. Speaker, I hope the Members will give some thought to this matter. It is interesting to me, and it disturbs me. I have no hard and fast notions upon it, but I do not want to be in a position of willfully and deliberately scuttling, avoiding, or negativing the provisions of the constitution of my own State, when by a little more generosity on the part of Congress and the Federal Government that can be avoided, and these distressed communities can also be served.

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

Mr. DIRKSEN. Yes.

Mr. SABATH. Is it not a fact that this bill merely provides for a lease? The provision as to acquiring the property is tantamount to an option that the State or the county or the municipality has under the bill, to accept or reject in the future. In other words, it is a lease, with an option that is given to the State to accept or reject in the future.

Mr. DIRKSEN. In response to the gentleman, that presents a very emphatic question. First, whether or not the making of such a lease or agreement in the expectation that current taxes will be extended for the purpose of retiring the option will be construed by the courts as a debt, and, secondly, whether in view of this very explicit language, namely, that no municipality or corporation can exceed the debt limit in any manner or for any purpose, is so broad as to catch the thing up, and, finally, are not we projecting ourselves into a hole if any taxpayer goes into court and seeks to enjoin a city or county from extending taxes for the purpose of paying such an agreement? If so, then Uncle Sam, of course, is holding the bag and may have built a courthouse or a city hall or a recreational area or a park of some kind without any means of enforcing the obligation.

Mr. SABATH. The gentleman fears that during the 25 years such an option will run, such municipality will not be in a position to have sufficient funds to carry out the option, which is granted to it under the bill.

The SPEAKER. The time of the gentleman from Illinois has again expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 1 minute more.

Mr. DIRKSEN. It is to be expected, in view of the fact that Mr. Ickes testified that no securities are to be issued, that this will be paid out of the current revenues from time to time over the amortization period. What will then prevent the taxpayer from going in and enjoining the imposition of such a tax? Secondly, if, for instance, I, as a member of a city council, should vote for a project of this kind and impose that burden on the city, what will prevent the city council from simply accepting the work and still letting the Federal Government hold the bag?

Mr. SABATH. Then the Government would have the possession and the title to such property, because it is not intended that the title should pass until such municipality complies with and accepts the option granted in the bill.

Mr. DIRKSEN. Will the question of title finally enter in when it becomes necessary to determine whether or not this is, in all good conscience and morals, a debt that is expected to be paid, although it comes within the prohibition of the State constitution? I do not know, but I will say that we are setting a precedent here. If we can do it once, we can do it twice; if we can do it twice, we can do it 10 times. It may be like the stone cast into the water; we can see the first ripples but we do not see the ripples that go way out to the distant shore line; and I am not so sure but what the precedent we are setting in motion by a provision of this kind may be dangerous in the future.

Mr. SABATH. I appreciate the gentleman's interest and I realize that he is well posted and means well to protect the Government. I know he desires at the same time to be liberal and make it possible for every municipality to obtain needed improvements and betterments which they are seeking and which will create employment for those now unemployed.

Mr. DIRKSEN. My personal opinion is that it would be a good investment to give them the money outright rather than take the chance of setting a precedent of this kind. It is a matter for each man to determine for himself, because probably two-thirds or three-quarters of the States are confronted with this identical condition today.

[Here the gavel fell.]

Mr. O'CONNOR of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, we have under consideration a rule made necessary because of the character of this legislation which contains both appropriations and legislation for a work-relief program.

I have been in favor of this program of the Federal Government taking the lead in giving relief to the unemployed because of the necessity that has arisen under the depression and which still exists. It became apparent in the early days of this administration that the Federal Government would have to take the lead in this program for relief of those who were in destitute circumstances and unemployed. The States and municipalities had broken down and exhausted their treasury and it was necessary to take care of the hungry, the unemployed, and the destitute by a program that is constructive in character. The problem became national and still requires Federal treatment.

There is nothing new about a program of helping those who are unemployed, although perhaps each age or generation may have to take it up in a new form. In the decades following the Civil War there was unemployment. We had a large public domain. Millions of acres of land were given to the railroads as a subsidy, and construction work went on in all parts of this country which gave an outlet for the unemployed. The Federal Government by those grants took the lead. That outlet for employment no longer exists. The public domain has been exhausted. If the Federal Government takes the lead today it must be in the nature of substantial construction of public works that will give the outlet for the unemployed and the relief that is needed.

There is danger to organized government in having millions of unemployed. Other countries have been faced by this situation as well as our own. These people become restless, they seek to overthrow the Government. The best thing the Federal Government can do in this period of depression is to take care of those who are out of employment and give them an opportunity to earn a livelihood, to save their homes, to support their families. If we want to preserve representative democracy, and I am sure we all do, we must follow some such program as this.

We had all hoped that the Federal Government could withdraw from this field of unusual expenditures, but unemployment is still widespread and the necessity is still great. Communities and States have shared in these grants and these appropriations. Each Congressman has had these projects in the communities in his district. These projects arise by planning committees in every county and go up through the planning committees through the State, receive the approval of the State, and then come to the Federal Government for approval. If any local community desires to withdraw it may, and assume the responsibility that has been theirs before this depression came. It has always been the responsibility of the local community to take care of the poor and the unemployed, and it is only because of the necessities of the situation that they no longer could do it that the Federal Government has thrown its credit and its powers and its wealth behind the local communities.

During this period that we have assisted the local communities and municipalities with Federal aid they have been reducing their debts in many instances until they stand today much better off in some States than they have been for a long time; they have paid off their local indebtedness and obligations while the Federal Government has assisted them, and they are now in better financial condition than they were some 4 or 5 years ago. In addition, most of these appropriations go into substantial improvements, the construction of public buildings, school buildings, the building of highways, and other permanent improvements. These things are not for the minute, for the hour, or for the day; they will last to benefit future generations. Every locality in the United States, therefore, has been benefited. These projects represent capital investments, not only in contentment to the citizenship, but giving them employment, substantially better buildings and improvements in their communities, which are not lost.

Much of the money contained in this is of self-liquidating character. It goes to the farm security for loans to those who will be placed in a better position to earn a livelihood.

Much of it will go to rural electrification to help the farmers have the benefits of modern improvements, the same as their neighbors in the city. This will become an outlet for the purchase of electrical equipment which will help to turn the wheels of the factories of our Nation and give employment in the industrial centers.

Some of the public works are 100 percent self-liquidating. Some of them are covered by grants which will be 50 or 55 percent self-liquidating. These do not substantially increase the public debt.

I know we have all been more or less distressed and alarmed over the increase in our national debt when we had all hoped that by this time we might withdraw from the field and begin a period of liquidation. But, after all, I wonder if America, in comparison with other nations that have gone through the distress of a depression, realizes in just what position this country is as compared with many nations of the world. I am not advocating that we ought to be in debt as much as some other nations, but I do say that the United States with its great wealth and resources cannot afford to refuse to do for its citizenship who are in distress what other nations who are in a less favorable condition have already done for their people.

We all have our regret that we spent such a great amount of money for the World War without the returns that are now visible. In 1919 following the World War we owed in round figures twenty-seven and one-half billion dollars. Against that was offset cash on hand of $1,118,000,000 and Finland's debt, $8,270,138, which is the only one listed in this article that can be considered worth 100 cents on the dollar, which made total assets of $1,126,000,000 which could then be offset against our Federal indebtedness. We had a net debt if we strike off tangible resources of $25,470,000,000. At that time we had about 105,000,000 population and the per capita debt was $242. I am speaking of the Federal debt now. That is for each man, woman, and child in the United States. That was in 1919.

On April 5, 1938, this statement which I think is authentic makes a comparison. Our Federal debt was thirty-seven and one-half billion dollars, but against that we have a right to take credit for tangible assets, the same as if we owed $5,000 at the bank and had property or money in the bank which we could offset against our debt. We could figure our net debt was less. So against the thirty-seven and one-half billion dollars we had cash on hand of $1,907,000,000. We had in the stabilization fund $1,800,000,000. We had in gold in the vaults in Kentucky and other places upon which there had been no issue, $1,182,000,000. This makes a total of tangible assets, including cash, the stabilization fund and gold, of $4,800,000,000. The Reconstruction Finance Corporation had obligations which were worth 100 cents on the dollar and which are being liquidated with small loss, of $4,900,000,000 and we still have Finland's debt, which I am carrying at $8,000,000 plus, and this is worth 100 cents on the dollar. We have tangible credits in money and in securities that are being collected at the rate of 100 cents on the dollar, a total of $9,843,000,000, which makes our national debt today $27,000,000,000 plus. We now have a population of 130,000,000 plus. Our per capita debt is $213, or approximately $30 less than it was at the end of the World War. The debt of this Nation, although higher than we might desire, is nowhere near the danger mark. It is about one-tenth of our national aggregate wealth.

Furthermore, our individual tax burden as measured by income and excise taxes are much lower than other leading nations.

Mr. O'CONNOR of New York. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. GREENWOOD. Against that we have to take into consideration that our national wealth and resources have increased since 1919 many billions of dollars. The per capita debt and burden of liquidation is easier now than in 1919. There is no reason for alarm.

England has a per capita debt of about three times what America has, with assets and with a national wealth of only one-third of America. We have not begun to touch the resources of the United States and I hope we will not have to, but I say there is nothing alarming from the standpoint of our national debt, especially when we have to use that in order to help our unemployed, which is one of the purposes of a democracy; that is, to take care of its people in an hour of distress like this.

Resources owned by the Federal Government in public land, parks, timber, oil, mineral, public buildings, and securities for loans along with gold, silver, and miscellaneous resources are still greater than our total Federal debt.

There is no need for an alarm that will stampede our people from performing our duty to the underprivileged, the hungry, and the unemployed.

[Here the gavel fell.]

Mr. O'CONNOR of New York. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. McFARLANE].

RADIO-MONOPOLY INVESTIGATION

Mr. McFARLANE. Mr. Speaker, I made a statement before the Rules Committee this morning on the radio-monopoly investigation resolution, and I ask unanimous consent to insert in the RECORD at this point the statement I made before the Rules Committee.

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

There was no objection.

The statement is as follows:

Mr. Chairman, I would like the committee to understand that in appearing today I am not interested in the personnel of the Communications Commission as such. My interest in radio has been concerned entirely with the existence of a radio monopoly, which, I believe, will be admitted is a menace to the free institutions of America. It has been my thought for sometime to present to the House certain information, including data in affidavit form, which conclusively suggests the existence of a criminal conspiracy which not only debauched a large corporation, persons holding high public offices, but also certain court officials. I have been in doubt as to whether to move impeachment proceedings or to await action on the part of this committee.

The information I refer to concerns the payment of money in cash to elected representatives of the people for interference with the activities of the Department of Justice, activities which brought forth a consent decree from a district court. This action benefited officials of this radio corporation dependent for its existence upon the gratuitous radio licenses which it has received from the Government of the United States.

I want to say, Mr. Chairman, that I have checked the contents of this affidavit in two separate manners, and while I have not made nor been in a position to make the type of an investigation which is necessary, I want to say that both checks verified the statements made in the affidavit. That a monopoly exists there can be no doubt. You, Mr. Chairman, on the floor of Congress, admitted that you knew such monopoly existed. All 40 clear channels, almost all regional high-power stations, almost all radio stations that extend beyond the jurisdiction of one community are owned, controlled, or operated in the interest of, or by the radio monopoly.

An illustration of the legal highjacking indulged in by this particular corporation is evidenced by the manner in which they blackjacked the American Telephone & Telegraph Co., another monopoly, into permitting them to share the profits of the sound motion-picture field.

I have here a photostatic copy of the bill of complaint wherein the attorney for R. C. A. printed a bill of complaint alleging monopoly and illegal restraint of trade on the part of the A. T. & T., and instead of filing it in the courts as was presumably intended, sent it to the attorneys for the A. T. & T. Co., which resulted in the attorneys for both monopolies agreeing to share the field. The allegations of monopoly and restraint of trade contained in this photostatic copy of the bill of complaint prepared for use of R. C. A. is just as true today in the case of telephone, as it was and is today in the case of R. C. A.

Mr. Chairman, I hold in my hand a very exhaustive financial analysis of the financial set-up and condition of R. C. A. as of May 28, 1936.

The signer of this document is recognized as competent and has or had a good standing in the financial world. His work was considered so sufficiently good that following this analysis of R. C. A., I understand, that Mr. Sarnoff, who in this report is indicted most severely as incapable and inefficient, has hired him as a financial analyst for R. C. A. This auditor's report indicates that R. C. A. officials have defrauded common-stock holders to an extent of millions of dollars; have issued false financial re-

ports to stockholders and to the public; have paid preferred-stock holders dividends of $28,000,000 on earnings of only $11,700,000; that 6,580,375 shares of stock with a value at date of issue of $290,000,000 were issued to General Electric and Westinghouse for assets stated to have been worth $39,900,000. This $39,900,000 was subsequently written down to some $24,000,000; that preferred stock with redemption value of $80,000,000 and an annual dividend rate of more than $4,000,000 was issued by R. C. A. in consideration of some $17,000,000. That dividends have been paid on preferred stock when the corporation's earnings had been dissipated and prior surplus had been wiped out and capital impaired to the extent of some $16,000,000.

This report also shows that R. C. A. issued 2,000,000 shares of stock to General Electric and Westinghouse in supposed consideration of a valuable exclusive contract. When R. C. A. put over the infamous so-called consent decree in the Federal court at Wilmington, November 21, 1932, they found it necessary to cancel this agreement. But there is no indication that the 2,000,000 shares of stock issued in consideration of this supposed valuable agreement has ever been returned to R. C. A. for their stockholders.

This most unusual procedure on the part of a concern for the benefit of its preferred-stock holders surely warrants looking into on the part of the Congress.

Incidentally this report discloses there are more than 200,000 shareholders of R. C. A.

Mr. Chairman, I have no doubt that the facts and statements herein referred to will astound many Members of Congress. The information given has been in my possession for sometime, and I have made every effort to have the Congress investigate this monopoly and the debauchery brought forth by it without making public these affidavits. I realize that we are in the closing days of this session of Congress, and I feel it my duty to the public to bring this matter, as I am doing, before the Rules Committee at the first opportunity I have had for your consideration. I realize fully that failure on my part to do so would permit those who know I possess this information to indict me for my failure to live up to my oath of office.

If you want to understand this radio racketeering situation better, I recommend that you read carefully a recently published book entitled "Television; a Struggle for Power," by Frank C. Waldrop and Joseph Borkin. In it you will find an astounding story of patent racketeering, suppression of inventions, monopolistic abuses of power, and a forecast, based on the history of the steals in radio and telephony, of what may be expected in television, the newest development in the communications field.

Members of the committee, let me urge you to give this radio investigation resolution your immediate and favorable consideration to the end that the molding of public opinion in this country will be honestly and fairly protected for all the people.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Speaker, I do not see how any thoughtful mind can contemplate the situation confronting us this morning without feelings of deep anxiety. Having spent nearly $50,000,000,000 in the past 5 years, the New Deal administration is now asking the taxpayers to put up five billions more in the vain hope that the spending of five billions now will do what the Government spending of fifty billions has failed to do, namely, restore American business to a normal condition and put 12,000,000 unemployed back to work. The inevitable results of this insane spending spree are so fraught with danger and disaster to the lives and liberties of our people that intelligent men and women everywhere, regardless of party affiliation, are deeply disturbed.

Yesterday morning at the beginning of the debate, which has become notable, someone raised the question of whether this proposal was to be considered as an opiate or a blood infusion. If it is to be considered as an opiate, of course, the chief surgeon, Dr. Roosevelt, will have charge, and his internes, Dr. Hopkins and Dr. Farley, will continue to see that the opiate reaches the patient in proper doses before the election in November. If a blood infusion is made, of course, the taxpayer will, as always, have to furnish the blood.

In the few minutes allotted to me I wish to refer to a statement made by the gentleman from Virginia [Mr. WOODRUM], who asked this question:

> If we had not appropriated the countless billions at the beginning, what could the President or anybody else have done?

That was the essence of his question. A question coming from that gentleman always appeals to me as worthy of serious attention, because I have the profoundest respect and affection for him as one of the outstanding men in the Congress of the United States. I should like to give my answer to that question.

When Mr. Roosevelt was elected and came to office at a time of great depression he had back of him a support such as no other President of the United States has ever known. He had behind him both political parties. He was elected on a platform that, in my judgment, is one of the soundest platforms ever written by a political party in the history of this Nation. The people of the country were united in looking to him as the man to lead them out of the darkness of depression. If he had followed the original and oft-repeated expression of his views and had, on taking office, announced to the Nation and to the world that he accepted, without reservation, the American principle and method of life, namely, that the problems of our economic existence should be solved by the activities of the people themselves and not by the Government, he could have called to his side the farmer, the labor leader, the industrialist, the banker, the teacher, the college man, and the women of the country and, pooling our wisdom and our fundamental belief that we could solve that problem in the American way, he would have ushered in then, I believe, a period of prosperity based upon the eternal principles of the American way of life that would never have been equaled in the history of the world.

He began well. We all supported him. I personally voted for every proposal he made in the first months of his administration and was glad to do it. But by and by a mysterious change overtook him. There came flying into Washington from the four corners of the country, like crows to a dead horse, strange amorphous creatures, each of them seized and possessed of a complete and entirely different solution for every economic problem in the world. The majority Members of this Congress, charged under the Constitution with the responsibility of leading the people of the country in the administration of their public affairs, were shoved to one side and reduced to the ignominious status of mere rubber stamps for the Executive will; and these mysterious New Deal creatures have been roosting near the administration ever since and infecting it with their views, most of them impractical, un-American, and alien. The result has been that the industrial economy of America has been prevented from becoming once more the instrument for solving the problem of unemployment. I recognize that this problem contains one element, the unemployables, which cannot be solved by putting people to work. In England this element has been reduced to the smallest possible compass. The unemployables have been put to one side. The fact has been recognized that they must be supported, and out of the product of the toil and brains of the English people their support comes. We should have done that. And if we had massed the intellectual, moral, and financial resources of this Nation with the governmental authority to guide and regulate and not to punish and prohibit, I believe that today, instead of wearing crape and mournfully bartering away the last of the people's hard-earned money, this Nation would be an example to the world in its successful solution of the economic problem of unemployment and in the great prosperity of the masses of our people.

Therefore, I feel that the answer to the question raised by the distinguished gentleman from Virginia is that if Mr. Roosevelt had deliberately and consistently, with all his wonderful powers of leadership, chosen the American way and stuck to it, we would have been out of this depression long ago. [Applause.]

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

Mr. EATON. I cannot refuse to yield to the distinguished gentleman from Illinois.

Mr. KELLER. Will the gentleman tell us just exactly what he means by that statement? I should be delighted if he would.

Mr. EATON. Will the gentleman tell me exactly what he means by that question?

Mr. KELLER. Yes. I refer to the last statement the gentleman made, "if this had been done in the American way." I should like to know what the gentleman's idea of the American way is, that is all.

Mr. EATON. Well, the gentleman would not understand it. [Laughter.]

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

Mr. EATON. I hate to be tortured this way, but I will be pleased to yield.

Mr. FITZPATRICK. Did President Hoover use the American way during the 4 years previous?

Mr. EATON. Oh, my, what a blessing Hoover is as an alibi.

Mr. FITZPATRICK. That is a plain question.

Mr. KELLER. Will not the gentleman try it out for me and let me try? I shall be glad to try.

Mr. EATON. Try what? Will the gentleman kindly tell me what he is talking about?

Mr. KELLER. The gentleman made the statement that this had not been done in the American way, and if it had been done in the American way we would be in a state of prosperity. If the gentleman would be specific and tell me what he means by the American way it would enlighten me very much and I would appreciate it very much.

Mr. EATON. If I have a chance to enlighten the gentleman I am going to take it, because he needs it.

Mr. KELLER. Right.

Mr. EATON. The American way is the way outlined in the Democratic platform of 1932. [Applause.]

Mr. KELLER. All right, go ahead.

Mr. EATON. I do not need to go any further than that. That settles it.

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

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

Mr. RICH. It would also have been the American way if they had carried out the platform of 1932, and the promises they made before election and had stuck to them instead of doing the opposite of what they said they would do. That is the American way of telling the truth.

Mr. EATON. I hope the gentleman from Illinois has paid attention to the last speaker.

Mr. KELLER. I listened very attentively, but I should like to know why the gentleman from New Jersey and the gentleman from Pennsylvania both supported the administration, and now turn around and say it was all wrong.

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

Mr. EATON. Yes.

Mr. COX. Is not the American way the placing of emphasis upon the liberties of the citizen rather than upon the power and the glory of the State?

[Here the gavel fell.]

Mr. EATON. Exactly so. I have a document here and I shall ask for enough time to present certain facts set forth therein.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. EATON. This is what I mean by the un-American way.

Mr. KELLER. I would like to know the American way.

Mr. EATON. The American way which the gentleman intimates he does not know was the way of the Jeffersonian Democrats for all time, and the way of the regular Republicans. The way of constitutional government of laws and not of men. The way of an independent Congress and judiciary free from Executive domination. The way of elections unbought by taxpayers' money. The way of a free people whose government is their servant and not their master. That is the American way, not the New Deal way.

This is what happened. Instead of the New Deal encouraging business, business was hamstrung, pilloried, and punished as an evil thing. Instead of recognizing that the fundamental interests of labor and capital, of employer and employee are identical and can only be safeguarded and advanced by mutual understanding and cooperation, we had the Wagner Act and the National Labor Relations Board by means of which this administration placed American labor on a war basis with American industry by law.

The president of the National Dairy Products Corporation told his stockholders at their annual meeting in New York on April 21, first, that in 1937 the company made 11,115 separate tax reports, one every 15 minutes of every business day of the year, at a cost of $265,000.

Second, that reports of all kinds totaled 75,000 and cost $1,000,000.

Third, that one Government agency's request contained 5,000 questions.

The taxes of the company were running 23 percent this year over what they were last year.

Now, how can any American business exist with a bunch of little interrogation points here in Washington sending out bureaucratic questionnaire after questionnaire? How can any business function when it has to spend its time consulting its lawyers instead of developing the best interests of the business based on sound economic principles?

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

Mr. EATON. No; I cannot yield. I just want to be on record as facing the situation today with the same feeling of depression and anxiety that disturbs the majority of Members of this House. It is evident that soon we are going to have a debt of forty-five or fifty billion dollars. It is equally certain that the wealth-producing agencies of the Nation will be bled white by unnecessary taxation. Unless we change our ways and take hold of this problem and put to work the constructive forces of American civilization instead of continuing to destroy these vital forces by means of alien-minded, wasteful, unproductive, punitive legislation, the given fact is that like the swine in the Scriptures, bedeviled and bedamned, we are going over the precipice.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, the gentleman from Virginia sounds a warning that if we are going to complete the consideration of this bill tonight it may be necessary to adhere rigidly to the 10-minute rule on each amendment. The gentleman very properly states, and I commend him for it, he is willing to stay here tomorrow or Saturday in order to thoroughly debate the bill.

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

Mr. MARTIN of Massachusetts. I have only 2 minutes. If the gentleman can get me an extra minute, I will yield.

I believe that is exactly what should be done. This is the most important bill that will come before the Congress this year, and, consequently, I think it should be thoroughly debated.

There are a number of items in this bill which cannot be justified and the Membership of this House should have an opportunity to speak upon these proposals.

I appreciate the inspiration which would come to Congressmen by visiting Concord and Lexington and Bunker Hill. There they would drink the patriotism of old Massachusetts which has been a dominant factor in the building of the Nation. However, our first duty is to the people of the United States right now in this critical hour, and we should pass up pleasure trips and devote our attention to our real work. I believe every Republican is willing to do this, and I hope the gentleman will adopt the attitude he has expressed and see that the bill is debated thoroughly.

I now yield to the gentleman from Virginia.

Mr. WOODRUM. I was just going to say to the gentleman that I did not say 10 minutes on each amendment. I referred to the 5-minute rule, which means 5-minute speeches. I think on an important amendment there might be a reasonable number of pro forma amendments on which speeches could be made, but what I wanted was adherence to the 5-minute rule.

Mr. MARTIN of Massachusetts. The gentleman is willing to sit here even if the consideration of the bill may go into tomorrow?

Mr. WOODRUM. I am not only willing to stay, but we are going to stay here until we finish the bill, whether it is today or tomorrow or Saturday.

Mr. MARTIN of Massachusetts. And the gentleman is willing to give us every opportunity to debate the bill?

Mr. WOODRUM. We shall be as liberal as possible.

[Here the gavel fell.]

Mr. O'CONNOR of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Speaker, I had not intended taking any more time of the committee or of the House, except for the temptation always to follow the distinguished and attractive gentleman from New Jersey [Mr. EATON], who always speaks with great interest and usually with wisdom and logic. The gentleman could not come today with his great warm heart and his love of humanity and really make a speech which would condemn this bill. So he just scattered out over the universe and proceeded to dip his oar in again with these other gentlemen who have just sought to smear over anything that was suggested here by the party in power; and, of course, when the gentleman from Illinois [Mr. KELLER] asked my good friend a very impertinent and embarrassing question as to what he meant by the American way, my good friend fished around in his pocket for a while and got out something that looked like a Chinese laundry ticket and proceeded to read what some Republican editor somewhere had said about the New Deal.

Mr. EATON. Mr. Speaker, will the gentleman yield there for a correction?

Mr. WOODRUM. Gladly.

Mr. EATON. What I produced was not a Chinese laundry ticket but one of the immortal documents of the ages—the Democratic platform of 1932.

Mr. WOODRUM. I commend the gentleman for carrying good literature in his pocket. What has been done since President Roosevelt went into the White House is just exactly what the gentleman says ought to be done. He has tried to meet the problems of America in an American way. That is what he has done—not in the Harding way, not in the way of the golden age of Calvin Coolidge, not in the timid way of Herbert Hoover, but in an American, realistic way, where men are not afraid to look problems in the eye and have the courage to try to solve them.

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

Mr. WOODRUM. I have only a few minutes, and in a little while I shall be glad to yield to the gentleman.

The criticism of the gentleman from New Jersey is that we ought to do it in the American way. That is very specific, is it not? It is just as specific as the observation made by my beloved friend from Georgia [Mr. COX] when he came into the situation. That distinguished gentleman said that we ought to put the emphasis on the liberty of the citizens instead of the glory of the States—that that is what we ought to do. What we have done in the program heretofore has been to try to bring relief to distressed American citizens, relief to business, relief to banks, relief to railroads, relief to individuals, and that was fairly and reasonably accomplished, and the ship of state was and is now, if you please, upon the high road of recovery.

Mr. TABER. Would the gentleman yield for a question?

Mr. WOODRUM. In just a few moments; yes. However, little winds came, and the ship slowed down, and what we are doing today is sending it forward again, and we are doing it in the American way, and the overwhelming majority of the American people are in favor of doing it in this way.

Mr. COX. Mr. Speaker, will the gentleman yield to me at that point?

Mr. WOODRUM. In just a few moments. What does this bill do? It undertakes to obligate the credit of the richest nation on the face of the earth for a little less than $2,000,000,000 to try to meet the problem when ten or twelve million unemployed men are asking for work. What is the American way to do that? Is it to shut the door in their faces and send them to the park benches and on the railroad tracks? What is the American way? Is it to turn them out hungry, cold and shelterless and let their homes be sold?

Mr. TABER. Would the gentleman yield at that point?

Mr. WOODRUM. In just a moment.

Mr. TABER. Does the gentleman mean that the American way is to provide no employment except relief employment?

Mr. WOODRUM. Oh, the gentleman and his party since we have been considering this bill met in solemn conclave and decided to try to defeat the bill. Did the gentleman's party not do that? I pause to give the gentleman an opportunity to say. Did they not meet right in this Chamber since we have considered this measure and was not the only contribution it had to make, to agree to try to defeat the bill?

Mr. TABER. Will the gentleman yield for an answer?

Mr. WOODRUM. In just a moment. The only contribution the gentleman's party had was to try to defeat the provisions of this bill.

Mr. TABER. Would the gentleman yield there?

Mr. WOODRUM. Yes.

Mr. TABER. We met to offer a program that would bring about recovery.

Mr. WOODRUM. That is the American way, according to these gentlemen. It is to defeat this bill, and I am anxious to see how many of them will vote against it when the time comes. I am anxious to see how many will vote against the bill, which is the only opportunity to give employment to the men in your districts who are asking for a right to work. I yield to the gentleman from Georgia.

Mr. COX. Mr. Speaker, I usually follow the gentleman, and I am not sure but I am following him now. I know the gentleman feels that whatever expenditures are made under this bill, there should be some spreading out of expenditures so as to cover the entire situation. The gentleman no doubt agrees to that statement, but I wonder what explanation he is in a position to make to the fact that this bill provides for an expenditure of more money in the State of Pennsylvania than in every Southern State combined.

Mr. WOODRUM. I do not think that is a fair statement in the first place. I do not think it does.

It does provide for more money to be spent in the centers of unemployment, because that is where the need is. There is not a man in my district who is going to be moved out on the sidewalks and stay there all night in the weather. He and his family are not going to starve. I venture to say, however, that there will be such cases of hardship and suffering in the great metropolitan centers.

Mr. COX. By the same token the people in the gentleman's district have supported themselves on a great deal less than we give to those on relief in the metropolitan centers.

Mr. WOODRUM. That may be so. The bill is designed to afford relief where the need exists, and the provisions are elastic enough to take care of differentials in living costs.

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

Mr. WOODRUM. I yield.

Mr. FORD of California. As I understand the definition of the phrase "American way" by the gentlemen on the other side of the aisle it means the liberty to starve.

Mr. WOODRUM. No; the "American way," according to our Republican viewpoint, is anything except what the Democratic Party offers to do. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR of New York. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

ADULT EDUCATION

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mrs. O'DAY. Mr. Speaker, in my State of New York the W. P. A., through the adult-education program, has brought incalculable benefits to thousands. This new appropriation will mean the continuation and further extension of this program.

Fear that the program would be discontinued has brought me hundreds of letters from students in the various classes imploring me to do my utmost to insure its continuation.

Their letters are a revelation, and I ask permission to read a few of them into the RECORD.

A student in the School for Adult Education in Yonkers writes:

May I present to you a picture of the part this school plays in the lives of so many hundreds of adults? Many of us have a limited education because years ago emphasis was not placed upon its value. A grammer-school graduate was supposed to be lucky, a high-school graduate held in awe, and a college graduate looked upon as one apart. Within the past 20 years, however, this condition has altered considerably. Very nearly everyone wants a high-school training, and college is the usual thing.

But the question of funds is still an unanswerable problem. Here the School for Adult Education has proven a godsend. It has made possible attainment of this training that is so necessary. It also prevents that hopelessness that attends prolonged inability to find employment; the knowledge that one is refreshing one's mind and learning new things is a stimulant that should not be withdrawn lightly from so many people who desperately need this activity to keep them from despair. The fact that for 3 hours each night, 5 nights a week if desired, this refuge and stimulant is to be had, has kept within the bounds of sanity who knows how many hundreds and thousands of men and women.

A Valley Stream, Long Island, student testifies:

The students in this school comprise the middle class—the taxpayers and backbone of the Nation. Many have secured jobs through the knowledge they have obtained. Others have bettered their position by refreshing and increasing their knowledge of a subject to the extent that they have been able to pass examinations at higher ratings.

This student says further, touching upon another angle of the program:

Most important of all benefits is that given to foreign-born residents of this community. These classes teach them to read, write, and speak English, the basis for true and loyal citizenship.

A teacher in one of these classes for the foreign born writes:

While the advanced classes may not suffer if the schools are closed temporarily, the beginners look upon closing as a genuine calamity. Those who are only beginning to read and write realize that in a few months without a teacher they would lose their start and have to begin all over again. These new arrivals need our help most urgently.

A vitally important phase of the work is touched upon in the following quotations from a few of the letters I have received:

We are most interested in the classes for physically handicapped children. Our Lillian is suffering from a heart ailment, although she hopes that in the near future she may be able to return to school. Her condition may be so improved that her desire will be granted in 2 years. The child did not obtain any instruction after being excluded from school until this project was established. Now our Lillian has completed 2 years' school work and is doing fourth-grade work. Her visiting teacher is very competent, and hopes that Lillian can soon be promoted to the fifth grade. I am asking you to have this work continued because the handicapped children need an education as badly as the more fortunate ones. I am not only speaking for my child but for hundreds of others. I am sure you will understand.

Plea that the work for handicapped children be continued is made by another mother in Bellmore.

I have profited greatly by having this teaching for my boy, who would not be able to get an education in any other way. The fact that he is taught at home is of great advantage, as he is not quick enough to keep up with a class.

Most of such children, another writer in Newburgh points out, would receive no education at all if the program was discontinued. Paying for medical care is about all the parents can afford. Education and training, except for the little an untrained mother can give, is out of the question. This writer refers to a specific case.

This child is only 6 years old and could never attend school because of physically handicapped lower limbs and a delicate body. She has had a teacher for 1 hour every day for a year. When the teacher first started her lessons she did not even know her letters. She can read and write, and has not only completed first-grade work but has started the second. Her parents are not in a financial condition to send her to private school or employ a tutor. Due to her ill health she must spend 5 hours every day in the sunshine, so you can see why she does not attend public school.

Another Newburgh writer speaks of her own child:

I have a little boy who has diabetes and is not able to attend school. If he has a few years of education at home and his condition improves we hope that he can then be placed in a class suitable to his age, temporarily or permanently. Disabled children, such as my son, must, however, be given special training at home. It is very important for such a handicapped child to receive an education. Even more important than a physically able child. My son has had the visiting teacher for 6 months. During this time he has covered a year and a half of regular school. He is now in the second grade. If it were not for this project he would have had no instruction at all.

The dressmaking and millinery classes have been especially popular.

A student in a Roosevelt, Long Island, class writes:

It has been of great benefit to me. I have learned a great deal and I now make my own clothes. I also make my own hats since I learned how. My husband doesn't earn enough for me to buy clothes so I am saving money and looking well dressed by making them. I hope to learn designing, as I seem to have a talent for it.

A Yonkers business girl says:

I have been attending the tailoring and dressmaking classes and have found them to be most helpful. Home conditions do not permit me to buy clothes but through this instruction I have been able to make them, thus keeping up the appearance necessary for me to hold my position

From Lynbrook a woman writes:

When I first joined the W. P. A. adult education sewing class I knew very little about sewing but under the excellent and patient guidance of my teacher I have been able to increase my own family's wardrobe tastefully and economically.

Syracuse reports on their sewing class:

Homemakers have benefited materially in coming to these classes. In our clothing classes alone we women have made garments at a saving of from one-half to two-thirds the price of the garments ready-made. This has made it possible for people who found their incomes reduced to properly clothe themselves and their children. Several women have told them that the savings they have been able to make have enabled them to keep their sons and daughters in college.

Our classes have benefited the community at large. Thousands of yards of new material have been sold by the local stores to women in our class. Notions, patterns, and even new sewing machines, have been purchased.

Classes in lip reading have proven wonderworkers for the hard of hearing. A student in a Floral Park class says:

Having attended these classes I know how much they are needed by people who are hard of hearing. These people are ordinary human beings but need special aid. They have all the other necessary qualifications for success for this one—hearing.

My letters have been numerous and I am only selecting at random but these beautifully illustrate the attitude of the students in every section of my State toward the work of the adult-education project:

Yonkers:

I have two nieces and a daughter who are taking courses in the Yonkers school. They are girls who have finished high school and in better times would have gone to college. But this is their only chance for further education.

Sea Cliff:

If it is necessary to give vocational training to young people to enable them to earn their living, then what about older people who have to learn new ways because of upset conditions? If they can become economically useful it is certainly better all around than to stagnate on relief.

In my classes there are women who have known little or nothing about sewing. They have learned to cut, to fit, and to make all kinds of clothing for themselves and members of their families. Since many of them are in straitened circumstances or even on relief, it is necessary for them to stretch a dollar to the limit and making their own clothes is an important help to that end. What is true in my classes is true in the other lines of instruction. This is a practical fact and not a case of boondoggling.

Also from Sea Cliff this letter was from an American Legion post:

This program has taken very strong hold in some of its phases in our surrounding community and has been of considerable help in forming groups that have become a part of our regular community life. Without the support of the Works Progress Administration in having teachers and instructors to properly conduct these classes and organizations, they are bound to fail for lack of proper leadership. Such groups where Americanism and American ideals are brought with such force before the eyes of our citizens should be continued.

Valley Stream:

I am unemployed and am taking these courses to keep up my typing and to learn new subjects. I am a college graduate.

I hold a State license to teach physical science but in the 3 years since I graduated from college I have not had even one day's work substituting. Unable to afford the expense of a secretarial school after working my way through college, I enrolled in the W. P. A. evening classes. Now I am on my way to attaining the necessary skill to obtain a clerical job.

Syracuse:

Save our project, millinery and sewing. You cannot imagine how much happiness they have given me and I think they should be made a permanent feature of our American life. It is a healthy sign to see people ambitious enough to keep up appearances for themselves and their families. Please do not deprive us of this little bit of pleasure and comfort.

Freeport, Long Island:

I am attending evening classes 2 nights a week in the village of Freeport and I can say honestly this work has helped me greatly. I never had the opportunity as a boy to receive a grammer-school education. Now I am married and with three children. All are attending grammar school and I find that I am better able to help them with their home work since I started to attend these evening adult classes.

Also Freeport:

These projects have done so much to further the education of ambitious men and women of our State, who, like myself, are married and have families and cannot afford to pay for such services.

Two years ago I knew nothing about stenography and typing and, feeling that it would be beneficial to me and the Postal Service, where I have been employed for 31 years, I took advantage of the adult-education program and enrolled. Through the fine cooperation and instruction that I have received I have been able to better my position in the Postal Service.

Hempstead:

These schools and classes are doing a wonderful job and filling a very real need. Many of the students are unemployed, anxious to acquire new skills or to improve old ones. Where the student is fortunate enough to be employed, in many instances there are so many dependents upon him, that there is nothing left for additional education or recreation.

Man cannot live by bread alone—while people attend classes primarily for training to suit their needs, they also enjoy the benefits which result from friendly contacts. This cannot be measured in dollars and cents. In spite of occasional headlines to the contrary there is nothing wrong with the youth of today. They do like to "belong" and the adult-education classes have made it possible for increasing numbers of young people to enjoy supervised study and recreation.

The surface has only been scratched along the lines of developing good citizens through adult education.

Syracuse:

Difficult as the situation is for those of younger years, no more pitiful situation exists than the plight of persons of mature years who find no opportunity for useful employment, while yet equipped and able to give valuable service in many lines. Adult education has been a godsend to many of these.

This work is needed, terribly needed.

EXTENSION OF REMARKS

Mr. PATMAN and Mr. GRAY of Indiana asked and were given permission to extend their remarks in the RECORD.

EMERGENCY RELIEF AND PUBLIC BUILDINGS BILL

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 679, making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 679, the emergency relief and public-buildings bill, with Mr. WARREN in the chair.

The Clerk read the title of the joint resolution.

The Clerk read as follows:

Resolved, etc.

TITLE I—WORK RELIEF AND RELIEF

SECTION 1. That in order to continue to provide work relief on useful public projects, and relief, in the United States and its Territories and possessions, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until June 30, 1939, as follows:

(1) To the Works Progress Administration, $1,250,000,000, together with the balances of allocations heretofore made or hereafter to be made to the Works Progress Administration under the Emergency Relief Appropriation Act of 1937 which remain unobligated on June 30, 1938, and such amounts shall be available for (a) administration; (b) the prosecution of projects heretofore approved for such Administration under the provisions of the Emergency Relief Appropriation Act of 1935, the Emergency Relief Appropriation Act of 1936, and the Emergency Relief Appropriation Act of 1937, which projects shall not be subject to the limitations (1), (2), and (3) of (d) hereof; (c) aiding self-help and cooperative associations for the benefit of needy persons; and (d) the following types of public projects, Federal and non-Federal, subject to the approval of the President, and the amounts to be used for each class shall not, except as hereinafter provided, exceed the respective amounts stated, namely: (1) Highways, roads, and streets, $425,000,000; (2) public buildings; parks and other recreational facilities, including buildings therein; public utilities; electric transmission and distribution lines or systems to serve persons in rural areas, including projects sponsored by and for the benefit of nonprofit and cooperative associations; sewer systems, water supply and purification systems; airports and other transportation facilities; flood control; conservation; eradication of insect pests; projects for the production of materials for fertilizing soil for distribution to needy farmers under such conditions as may be determined by the sponsors of such projects under provisions of State law; and miscellaneous construction projects, $575,000,000; and (3) educational, professional, clerical, cultural, recreational, production, service, and miscellaneous nonconstruction projects, $250,000,000: *Provided,* That the amount specified for any of the foregoing classes may be increased by not to exceed 15 percent thereof by transfer or retransfer of an amount or amounts from any other class or classes;

(2) To the Works Progress Administration for the National Youth Administration, $75,000,000, together with the balances of allocations heretofore made or hereafter to be made to the Works Progress Administration for the National Youth Administration under the Emergency Relief Appropriation Act of 1937 which remain unobligated on June 30, 1938, and such sums shall be available to provide, subject to the approval of the President, on projects of the types specified under (1) (d) hereof for the Works Progress Administration, part-time work and training to needy young persons who are no longer in regular attendance at school and who have been unable to obtain employment and to provide financial assistance through part-time employment on such projects for needy young persons to continue their education at schools, colleges, and universities;

(3) To the Secretary of Agriculture, $175,000,000, together with balances of allocations heretofore made or hereafter to be made to the Farm Security Administration under the Emergency Relief Appropriation Act of 1937 which remain unobligated on June 30, 1938, and such sums shall be available for administration, loans, relief, and rural rehabilitation for needy persons;

(4) To the Department of the Interior, Puerto Rico Reconstruction Administration, $6,000,000, together with the balance of allocations heretofore made or hereafter to be made to such Administration under the Emergency Relief Appropriation Act of 1937 which remain unobligated on June 30, 1938, and such amounts shall be available for administration, loans, and rural rehabilitation for needy persons and for Federal and non-Federal projects of the type specified for the Works Progress Administration under limitations (1), (2), and (3) of (1) (d) hereof;

(5) To the following agencies for administrative expenses incident to carrying out the purposes of this title: (a) General Accounting Office, $4,180,000; (b) Treasury Department: Procurement Division, Branch of Supply, $5,500,000; Division of Disbursement, $3,500,000; Office of the Treasurer, $750,000; Secret Service Division, $300,000; Office of Commissioner of Accounts and Deposits and Division of Bookkeeping and Warrants, $2,000,000; total, Treasury Department, $12,050,000; (c) Department of Commerce, Bureau of Air Commerce, $325,000; and (d) Department of Labor, United States Employment Service, $1,500,000;

(6) To the United States Employees' Compensation Commission for expenditure in accordance with the provisions of section 16 of this title, $3,500,000; and any allocations heretofore made or hereafter to be made to such Commission under the Emergency Relief Appropriation Act of 1937 or prior Emergency Relief Appropriation Acts shall not be rescinded or reallocated for any other purpose;

(7) To the following agencies for administrative expenses: (a) National Emergency Council, $250,000; (b) National Resources Committee, $250,000; (c) Prison Industries Reorganization Administration, $120,000; and

(8) To the Department of Justice, $1,250,000, for administrative expenses in carrying out the provisions of section 5 of the Emergency Relief Appropriation Act of 1935;

Total of appropriations, title I, $1,529,425,000.

The funds made available by this title shall be used only for work relief or relief for persons in need except as otherwise specifically provided herein.

Mr. WOODRUM. Mr. Chairman, I offer an amendment to correct a typographical error on page 2.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: On page 2, line 20, strike out the third word and insert in lieu thereof the word "therein."

The amendment was agreed to.

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

The Clerk read as follows:

Amendment offered by Mr. BACON: Page 1, line 4, strike out section 1 and insert the following as a substitute for title I:

"That to provide relief, and work relief, and to increase employment, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,250,000,000, which shall be available for the period commencing July 1, 1938, and ending on January 31, 1939.

"SEC. 2. (a) Not more than $1,150,000,000 of the sum appropriated by section 1 shall be available for grants-in-aid to States to assist them in financing and administering such forms of relief and work relief and methods of increasing employment as may be determined upon and undertaken by them. Such amount shall be allocated by the Federal Relief Board (hereinafter established), with the approval of the President, among the several States upon the basis of the Board's findings and conclusions with respect to the facts concerning and weight to be given to unemployment and living costs in, and population and financial resources of, the several States. Not more than 15 percent of such amount shall be paid to any State.

"(b) The sum allocated to a State under subsection (a) shall be paid quarterly by order of the Federal Relief Board to the State if—

"(1) The Governor (or in the case of the District of Columbia, the District Commissioners) has certified to the Federal Relief Board that there has been established a board of relief trustees in such State, the membership of which is not composed solely of individuals who are members of the same political party, and that such board has the power and duty of receiving and disbursing sums which may be granted such State under this section;

"(2) The State board has certified to the Federal Relief Board that the State, or its subdivisions, or both, have provided or are prepared to provide an amount equal to not less than 25 percent of the amount allocated to it under this section, for relief, work relief, or methods of increasing employment; and

"(3) The State board has agreed to furnish to the Federal Relief Board such reports (respecting the administration of the relief, work relief, or methods of increasing employment with respect to which funds allocated to the State under this section are used) in such form and containing such information as the Federal Relief Board may from time to time require, and to comply with such provisions as the Federal Relief Board may from time to time find necessary to assure the correctness and verification of such reports.

"(c) If the Federal Relief Board finds that any part of an amount granted to a State under this section has been diverted to a purpose not reasonably within the purpose of furnishing relief, work relief, or increasing employment, or that more than 80 percent of the amount devoted to such purposes has been expended out of grants under this section, the amount of future grants to be made to the State shall be reduced by an amount equal to the amount the Board determines has been diverted or the amount the Board determines to be such excess.

"(d) The Federal Relief Board shall allocate, out of the sum specified in subsection (a), such sums as it deems necessary on the basis of the needs of Puerto Rico, the Virgin Islands, and the Canal Zone for relief, work relief, and increasing employment. Such sums shall be expended as the Board prescribes as necessary for such purposes and subject to such requirement, if any, as the Board may prescribe for contribution by the possessions to such purposes.

"SEC. 3. Not more than $100,000,000 of the sum appropriated by section 1 shall be available to enable the Federal Relief Board, with the approval of the President, in its discretion and on its order, to make such grants or loans to States as it deems necessary in order to meet extraordinary and unforeseen emergencies and such grants or loans shall be made without regard to the provisions of section 2. The sum specified in this section shall also be available for all administrative expenses of the United States in carrying out the provisions of section 2 and this section.

"SEC 4. (a) There is hereby established the Federal Relief Board, which shall be composed of three members appointed by the President, by and with the advice and consent of the Senate. Not more than two of the members of the Board shall be members of the same political party and the President shall designate one of the members as chairman. Each member shall receive a salary at the rate of $10,000 per annum.

"(b) The Board shall have the power and duty of carrying out sections 2 and 3 of this act, and such powers and duties shall be exercised under the direction and subject to the approval of the President.

"(c) The Board is authorized to make such expenditures, and, subject to the civil-service laws and rules and regulations made thereunder and the Classification Act of 1923, as amended, to appoint and fix the compensation of such officers and employees, as may be necessary to carry out its powers and duties.

"SEC. 5. Any person who knowingly makes any false statement in connection with securing a grant or loan or making any report or furnishing any information under section 2 or 3, or who solicits or receives political contributions from any person who directly or indirectly receives any part of a grant or loan made under section 2 or 3, or any person who, in administering any such grant or loan, discriminates against any person on account of race, religion, or political affiliation shall, on conviction thereof, be deemed guilty of a misdemeanor and fined not more than $2,000 or imprisoned not more than 1 year, or both. For the purposes of this section, each payment made by a State to which a grant or loan has been made under section 2 or 3 for relief, work relief, or increasing employment shall be considered to consist one-fourth of funds of the State and three-fourths of funds of the United States.

"SEC. 6. The funds herein appropriated shall be so apportioned and distributed over the period beginning July 1, 1938, and ending on January 31, 1939, and shall be so administered during such period as to constitute the total amount that will be furnished during such period for relief purposes.

"SEC. 7. As used in this act, the term 'State' means the several States, Alaska, Hawaii, and the District of Columbia.

"SEC. 8. This act may be cited as the Relief Appropriation Act of 1938."

Mr. BACON. Mr. Chairman, this is the same amendment we offered to the relief bill last year. It does not in any way change the total figures allocated for relief as determined by the President; we accept his figures without quibble, but we direct attention to the administration of that amount. Under this proposal we allocate the total sum to the 48 States. This sum is to be handled by a bipartisan board set up for the simple purpose of allocating the money to the several States so that it may be distributed fairly and, as the bill says, having due regard to unemployment, living costs, population, and financial resources of the several States. This bipartisan board is set up for this sole purpose. Each State, before it can dispense the money given it by the Federal Government, must in turn set up a bipartisan State board to administer the money for relief purposes. Yesterday I described in quite detail the purposes of this bill.

We require that for every dollar given to the States by the Federal Government the States shall put up 25 cents. In other words, we require a State contribution, because we believe that in requiring State responsibility they must also make some contribution so the State responsibility will be a real one. The 25 cents to the dollar that we require is approximately what the States have to put up today. The testimony before our committee shows that the average sponsor's contribution to W. P. A. projects ranges from 17 percent to 30 percent; therefore, in requiring the State to put up 25 percent of the total amount for relief we are not putting any additional burden on the States than exists today because many of the States put up over 20 percent as their sponsor contribution.

Mr. Chairman, this is an attempt to liquidate a huge Federal bureaucracy now existing in Washington and which, if not liquidated, some day will be on our necks and the necks of the country forever. In offering this motion last year the chairman of the subcommittee [Mr. WOODRUM] in opposing the amendment said:

> Mr. Chairman, undoubtedly the principle set out in the Bacon amendment has much merit. Perhaps sometime we will reach a situation in this relief business when we will have to get down to the proposition of devising some permanent method of meeting relief. At the present time, however, we have not reached that point. I do not subscribe at the present moment to the statement of Mr. Hopkins that the Federal Government is now permanently in the relief business. [Loud applause on the Democratic side.]

The gentleman from Virginia [Mr. WOODRUM] opposed the amendment last year mainly on the ground we would soon be out of the relief business as far as the Federal Government is concerned and therefore we had better go along with the set-up as then existing. However, we are still in the relief business and we will be in the relief business for some time to come; therefore, the proposal that I make and that we on the Republican side of the House offer, is to set up a flexible system so that Federal contributions will go to the States and the States will administer the funds in accordance with local needs. We believe that the relief problem may differ in Arizona from New York. It cannot be the same in each State.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

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

There was no objection.

Mr. BACON. Mr. Chairman, this is not a partisan amendment. We are not trying to play politics. This proposal

is similar in substance to the old scheme that existed under the C. W. A. 3 or 4 years ago. We believe in State responsibility. We believe that the Federal Government should not build up a huge permanent bureaucracy to administer relief, and we believe that we can administer public relief more efficiently through State control and administration. Furthermore, we believe that under our proposal where the States are required to put up 25 cents for every dollar the Federal Government puts up, that more of the relief money will reach those in actual need. It will take care of a situation that is today being taken care of inadequately.

There are over two million persons on direct relief in the several States who are receiving only $22 a month on the average. We believe that turning the matter over to the States will give employables on direct relief a fairer and better break, because the State responsibility will be more willing to take care of their needs.

Mr. Chairman, we also believe that under this proposal we will go a long way toward eliminating the charge that there are politics in relief and relief in politics. These charges are being made daily in the press. They cannot be ignored. The results of a Gallup poll indicated clearly that whether or not these charges may be true, at least the people of America think they are true. This is a demoralizing situation. [Applause.]

[Here the gavel fell.]

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

Mr. Chairman, I think the speech I made a year ago is just about as good today as it was then. I do believe there is a great deal of merit in the proposal. I have been hoping that we would never get to the proposition of recognizing relief as a permanent institution, but if we ever do get to it, I think the States should have a larger part in the control of the matter. But whatever may be said about that, we have now a real condition to meet. In the first place, the States are not able to take the load at the present time. In the second place, to undertake to interfere with it and change the machinery now would cause suffering and misery that it would be just the reverse of what we are trying to do, which is to relieve the unemployed and furnish employment to those millions of people who are out of work and increase the purchasing power of America in order that all business and industry may go forward again on the road of recovery.

Mr. KELLER. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Illinois.

Mr. KELLER. Is there any State asking for such a change in the law?

Mr. WOODRUM. There is no State I know of; and the State of the distinguished gentleman from New York could not carry the burden if it had it at the present time. As I say, no matter how much merit there may be to some such proposal, certainly you cannot do it in this sort of fashion during the present emergency period.

Mr. Chairman, I hope the amendment offered by the gentleman from New York [Mr. BACON] will be defeated.

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

The question was taken; and on a division (demanded by Mr. BACON) there were—ayes 39, noes 106.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 3, line 13, after "administration", strike out "$75,000,000" and insert in lieu thereof "$20,000,000."

Mr. TABER. Mr. Chairman, this is an attempt to cut the N. Y. A. from $75,000,000 to $20,000,000. If there is any possible excuse for that operation it relates to whatever they do to help the boys and girls who go to school and college. I have a description of some of the activities of the so-called adult-education projects for which about $60,000,000 of the $75,000,000 is spent. This is a paper by the head of one of the schools they conduct, the one at Auburn, N. Y., where I live. The name of the paper is, The Variation of the Affectivity Quality of Vestibular Stimulation with Chronological Age. The paper is a report on an experiment conducted last year at the Auburn collegiate center with 213 children of the Auburn public schools, using a turning table. The result of the experiment showed there was no year at which children ceased to enjoy activities which produced vestibular excitement, such as turning on piano stools and riding on the merry-go-round and the roller coaster, but that the age was spread out over the whole range of adolescence.

If you want to vote $60,000,000 for that kind of an operation, vote against my amendment. If you want to vote to cut out the waste and cut this activity down to where it is confined to something that can have a possible and plausible excuse for being, vote for my amendment. I hope the House will show some semblance of sense and responsibility in connection with this amendment. I have appreciated that most of the Members on the majority side of the aisle have enjoyed being rubber stamps and voting for things which have no justification and are absolutely foolish. This is the test. Are you sincere in trying to do the right thing with the people's money, or are you going to go hog-wild and spend it just because there is an opportunity to spend?

Mr. Chairman, I hope this amendment will be adopted. [Applause.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 2 minutes.

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

There was no objection.

Mr. MURDOCK of Arizona. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the study which the gentleman from New York [Mr. TABER] holds up to ridicule, implying that it is typical of the work of the N. Y. A., may be a sample but not a specimen of the educational scope and work of N. Y. A. I am not ready to say whether this effort cited by the gentleman offering the amendment is valuable or worthless, although as a schoolman I am very much less inclined to consider valueless certain educational efforts which may be thus regarded by so-called hard-headed, practical businessmen. If I wanted to be critical or cynical, I could cite studies made by graduate students in our outstanding and reputable universities, and even in industrial laboratories, which might be held up to scorn with equal justice. I do not wish to attempt to defend each and all studies or educational projects sponsored by all schools or colleges. Let us not make a mountain out of a molehill. Let us look at general effects.

Mr. Chairman, a year ago when the relief bill was being passed I favored the earmarking of $75,000,000 for the use of the N. Y. A. I am glad it was done at that time. My remarks on that occasion apply equally today. I believe the gentleman from New York has taken the most ridiculous and extreme case he could find. We have heard the general criticism leveled against the W. P. A. In every instance the carping critics refer to the program as a matter of leaf raking. We have heard many people say, "Yes, they go out on the highways and they lean on the shovel handles," absolutely ignoring the millions of dollars worth of fine work of a permanent character that has been done adding to the total wealth of the country.

When the gentleman from New York refers to some apparently, and to him, nonsensical study, he is absolutely ignoring the significant work that has been done for the young people of this country in high schools and colleges through the National Youth Administration. I have been dean of a teachers' college. I know that 3 years ago out of an enrollment of about a thousand, 325 students at one time were paying their way entirely through college or partly through college, by means of this Government aid.

I know what this has meant to hundreds of worthy young people. I have had five such students who have paid their way through college here in my office at Washington, and more efficient young people cannot be found in the State of Arizona than those who have thus paid their way through college by means of this Government aid, permitting them to do student work.

[Here the gavel fell.]

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

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. BLAND: On page 2, line 25, after the words "flood control" and the semicolon, insert the following: "beach erosion;"

Mr. BLAND. Mr. Chairman, I understand it is construed that conservation would cover beach erosion, but there may be some question because of the technical interpretation that is given the word "conservation" and the fact that beach erosion is treated as a separate project like flood control. I hope the gentleman will accept the amendment.

Mr. WOODRUM. Mr. Chairman, I may say to my colleague that he called my attention to this and we have taken the matter up with the Works Progress Administration. They say that unquestionably the activity he has in mind is covered by the word "conservation." I do not believe there is the slightest doubt about it. I would hate to have the amendment go in here to that effect, because I am confident that question is covered.

Mr. BLAND. I have heard that in some of the previous legislation the words "beach erosion" are used. There is a Beach Erosion Board. Provision is made here for flood control. While these gentlemen give that interpretation, I would not like an interpretation to be given after the bill has passed which would eliminate beach erosion. The matter can be corrected now by writing in the bill the interpretation we intend to have.

Mr. WOODRUM. I can give the gentleman the assurance the interpretation is that the project is included under the word "conservation."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BLAND].

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. LANZETTA: Page 5, after line 24, insert a new paragraph, as follows:

"It is hereby declared to be the policy of Congress that in the administration of this Relief Appropriation Act there shall be provided work opportunities through the Federal Works Progress Administration for all unemployed workers who cannot find employment in private industry. The Works Progress Administration shall so administer the funds allotted to it and so regulate the employment of unemployed persons that no Works Progress Administration worker who cannot find employment in private industry at wages not less than the prevailing rate of wages for work for which he or she is reasonably fitted by training or experience shall be discharged from the Works Progress Administration rolls and that any Works Progress Administration employee securing temporary private employment shall be furloughed during the period of private employment by the Works Progress Administration and not discharged from the rolls: *Provided*, That nothing in this resolution shall be construed to force the Works Progress Administration to continue the employment of any person who is properly dischargeable for cause."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order against the amendment.

Mr. TABER. Is the gentleman from Virginia going to make the point of order?

Mr. WOODRUM. After the gentleman makes his statement. I have reserved it.

Mr. TABER. Mr. Chairman, I also reserve a point of order.

Mr. LANZETTA. Mr. Chairman, my amendment is similar to House Joint Resolution 440, popularly known as the Schwellenbach-Allen resolution.

The amendment has a twofold purpose. First, it prohibits the discharge of W. P. A. workers who cannot find employment in private industry, and, second, it permits the furloughing of W. P. A. workers during the period of their employment in private industry and allows for their reemployment by the W. P. A. immediately upon termination of their private employment.

The members of this committee will agree that there is no logic or reason in discharging W. P. A. workers at a time when our industries are laying off men. We saw the disastrous results of this policy last year when under our 1938 Relief Appropriation Act, W. P. A. workers were laid off by the wholesale at a time when industry had slowed down and when men were being discharged.

I believe that in trying to solve the unemployment problem we should apply the same practical and logical methods which we use in our everyday life. To discharge W. P. A. workers when there is no opportunity for private employment is the height of folly and such action only tends to aggravate our economic problems by further reducing the purchasing power of the country. What we should do in times of stress is to try and keep as many persons at work as it is humanly possible and that is what the first part of my amendment proposes to do. I believe that every W. P. A. worker should be continued until he or she is able to obtain private employment. I am certain that when such an opportunity, with higher pay and greater advantages, does come, that no relief worker will fail to take advantage of it.

Another point which I wish to make is that if we discharge W. P. A. workers at a time when there is no chance for employment in private industry, we will be playing right into the hands of a few chiseling employers who are always ready to take advantage of any surplus existing in the labor market and who are always ready to purchase labor at the lowest price.

As to the second provision of my amendment, I am of the firm opinion that it will encourage W. P. A. workers to seek private employment once their minds are eased as to the future. To know that they will be restored to their old W. P. A. jobs should they lose their outside jobs will be a sufficient incentive for them to seek private employment with its greater opportunities for advancement.

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

Mr. LANZETTA. I yield.

Mr. VOORHIS. The gentleman realizes, of course, that at present—and I hope this bill is going to correct this—if a man does go out and take a private job and then loses it, in many States he has to go back to the charity organization and get certified as a pauper before he can get back on W. P. A.

Mr. LANZETTA. The gentleman is correct. I have had a number of cases where W. P. A. workers who sought employment in private industry have had great difficulty after losing their jobs, in getting back on the W. P. A. rolls, and some never did get back.

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

Mr. LANZETTA. I yield.

Mr. POAGE. Is it not a fact that the actual cost of keeping the record on these men is almost as much to the Government as the cost would be if we would give them the job when they came back?

Mr. LANZETTA. I believe that is correct.

The adoption of this amendment is not going to increase the cost, but it will ease the minds of the workers, and I believe it may bring about the much sought for results. As a matter of fact, I think that in the long run it may help solve the unemployment problem, because when industry does pick up W. P. A. workers will not be afraid to leave their W. P. A. jobs for outside employment. But unless you adopt this amendment you cannot expect a person with dependents to take any chances.

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

Mr. LANZETTA. I yield.

Mr. MAY. As a matter of fact, when they go out into private industry and as a result of going out are not employed again in W. P. A., is not this a deterrent on their going to private industry?

Mr. LANZETTA. The gentleman is correct.

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

Mr. LANZETTA. I yield.

Mr. BEITER. In other words, if a man who is now employed on a W. P. A. project is offered a job in private industry, he refuses that offer because he is fearful he will not be able to get back on the W. P. A. rolls and he is also fearful that it will prove to be only a temporary job.

Mr. LANZETTA. Yes.

Mr. BEITER. And that more or less freezes a great many of these people on the W. P. A.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I insist upon the point of order for two reasons. The amendment is not germane at the point where it is offered in the bill; and, in the second place, section 2 of the bill, which is at the present moment in the bill, provides that the funds herein appropriated shall be apportioned over a given period of time based on an estimate of an average of 2,800,000 workers to be given positions, a program which has been approved by the American Federation of Labor and the Committee on Industrial Organization as being an adequate program. The proposed amendment is absolutely nugatory of section 2 on page 6. In the first place, it requires the Works Progress Administration immediately to give jobs to all unemployed workers and freezes them on the rolls so they cannot go off. For this reason the amendment is certainly not germane.

Mr. LANZETTA. Mr. Chairman, I rise in opposition to the point of order.

The CHAIRMAN. The Chair will hear the gentleman from New York on the point of order.

Mr. LANZETTA. I think the point made by the gentleman from Virginia that this is not the proper place for this amendment is not correct, inasmuch as the last sentence of section 1 reads as follows:

The funds made available by this title shall be used only for work relief or relief for persons in need, except as otherwise specifically provided herein.

I call the attention of the Chair to the fact that this section has to do with relief workers and that my amendment also has to do with relief workers. I think the gentleman from Virginia [Mr. WOODRUM] has taken too broad a view on this amendment. If he will read the second part of the amendment, he will find that it reads as follows:

The Works Progress Administration shall so administer the funds allotted to it, and so regulate the employment of unemployed persons that no Works Progress Administration worker who cannot find employment in private industry at wages not less than the prevailing rate of wages for work for which he or she is reasonably fitted by training or experience shall be discharged from the Works Progress Administration rolls.

In other words, it does not add to the W. P. A. rolls, but it only allows for the retention of those who are already on.

I therefore cannot agree with the objection made by the gentleman from Virginia that it will increase the number of persons on the rolls, and that inasmuch as the appropriation under this bill is for a fixed number of workers, that the amendment is not germane.

The CHAIRMAN. The Chair thinks that the point of order made by the gentleman from Virginia that the amendment is not germane to the portion of the bill where it is offered is good, and the Chair, therefore, sustains the point of order.

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

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Page 3, line 2, after the word "to", strike out the work "needy."

Mr. BOILEAU. Mr. Chairman, I discussed this amendment at some length on Tuesday. The purpose of the language on the top of page 3 is to permit the continuation of projects such as lime and marl projects that have been carried on so successfully in rural areas of the country. The W. P. A. labor is used for the purpose of preparing the material, grinding the lime, and so forth, but the local farmers provide equipment and trucks for hauling the lime. These have proven to be very successful projects in all of these rural communities where these projects have been carried on. I have taken the matter up with the distinguished gentleman from Virginia and I believe that he is willing to accept the amendment. If so, I do not desire to take up any more time.

Mr. WOODRUM. Mr. Chairman, gentlemen will recall that we discussed the matter yesterday. The question arose as to whether the projects utilized the services of relief workers according to W. P. A. standards. I have inquired and I find since that time that they do; that is, that 95 percent of the people who work on these projects are on relief. Therefore, I think there is a good deal of logic in what the gentleman says and so far as I am personally concerned I have no objection to the amendment.

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

The amendment was agreed to.

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

The Clerk read as follows:

Page 4, line 3, after the word "Agriculture", strike out "$175,000,000" and insert in lieu thereof "$155,000,000."

Mr. WIGGLESWORTH. Mr. Chairman, I am sure there is no Member of the House who does not recognize the obligation to provide for those in need at this difficult time. Those who are suffering must be cared for and, of course, the Federal Government must assume its fair share of the burden.

Insofar as relief is concerned the question at issue is not as to the amount but as to the method of administration. The proposal embodied in the minority report, if adopted, will not only provide every cent recommended for relief by Mr. Hopkins, but 25 percent over and above that amount, as well as a large saving in administrative expenditure by the elimination of waste, extravagance, and political operation.

The amendment which I offer is directed primarily not at relief to be furnished by the Farm Security Administration, but at the very large administrative expenditure of that organization. The Farm Security Administration has an overhead at the present time amounting to about 14 percent. It amounts to some $25,000,000.

The hearings indicate that this Administration maintains a personnel today of almost 11,000 people, with over 10,000 of them in the field, including some 3,000 county supervisors. It maintains no less than 1,700 county offices, 42 State offices, and 12 regional offices. It operates through county supervisors and county committees apparently distinct from and in addition to similar county supervisors and county committees operating under the Agricultural Adjustment Administration.

The functions of this Administration as outlined to your committee are surely more paternalistic than those of any other agency that has come before your committee. They include periodic visits to individual homes of farmers with a view to instructing them in such matters as how to put up their canned goods, how to plant their farms, how to talk to their creditors, and other similar matters. The overhead is the direct result of this paternalism.

My amendment, if adopted, will permit an increase for relief as compared with what this Administration has had for the current year, of about $15,000,000, with a reduction of $10,000,000 in administrative expenditure. I offer the amendment with a view to curbing administrative expenditure, and to saving the sum of $20,000,000 in the totals carried by the bill.

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

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. CREAL: Page 4, at the end of line 9, strike out the semicolon, insert a comma and the following words: "and out of this amount so appropriated the Secretary of Agriculture shall use $4,000,000, if that much is necessary, to reimburse the tobacco growers for taxes illegally collected under the operation

of the Kerr-Smith Tobacco Act. The Secretary of Agriculture shall prescribe such rules as are necessary to make such payments to the proper parties in interest."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order against the amendment.

Mr. CREAL. Mr. Chairman, day before yesterday I made some remarks on this same matter. This may be the last big general appropriation bill ever made by this Government. If it solves the purposes intended to be solved by the friends of the appropriation, no more will be needed; if it has all the bad effects the enemies of this appropriation say it will have, those in authority will not have the opportunity of presenting other bills. For this reason I say it is highly possible that this may be the last big appropriation bill for everything combined before us in many a day.

Mr. Chairman, I offer this amendment on the theory that an individual or the Federal Government should be just before generous. There are two classes of processing taxes: There are the millers, some of whom absorbed all the tax, some who absorbed part of it only, and some who absorbed none of it; so every case has to stand on its own bottom and has to be heard. It is true there is legislation providing that if a man paid a processing tax and can definitely show that he did not pass it on, he has a chance to recover in the courts; but this goes into a distinct and separate class altogether. There is absolutely no question about passing this tobacco growers' tax on. Where a man drove up with $200 worth of tobacco you took $50 out of his check and gave him a check for $150. That is not open to litigation, and he ought not to be required to go into the courts and pay some attorney a percentage for collection, and the Federal Government have to pay more than the face of the claim—claim plus court costs.

This does not add to the size of the bill, I may say to those who want to keep the appropriation as low as possible; it comes out of the $175,000,000 set aside for the Department of Agriculture.

Here is what will happen if the point of order is insisted upon and if it is sustained: You are going to pay these figures in full when this Congress adjourns. They are standing by waiting to step into the courts immediately upon adjournment of Congress and file these suits. They will be filed by attorneys in the Federal courts. I get letters from these people all the time asking why we do not do something about it. In the meantime the Government attorney in court says: "I move to continue. Congress has before it legislation to pay this money back."

Why let these cases go to court and incur the additional cost? If we do not do something along the line suggested by this amendment these suits will be filed, the Federal Government will pay more than the face of the claim and the claimant will get less than the face of the claim, and this multiplicity of litigation will go on. Why not stop it? Why does not the House do it? If we do not what will happen? This bill passed the Senate by a unanimous vote. If the House does not take action it will be put in the bill again when it goes to the Senate. Then who will be chairman of the conferees to rule upon the question of germaneness? Nobody. You will bring it back here and it will be adopted. That is what happened in the case of rural electrification. We asked for a slight increase but the committee did not grant it. The Senate put it in and then you took it.

I called attention a few days ago to the fact that a slight increase was needed in the Federal tobacco grading appropriation. I could not get the ear of either the committee or the Department of Agriculture; but the item was put on the bill in the Senate, and when it comes back to the House you will take it. Why does not the House do some of these things? It ought to. Even if this bill passes the House without this item in it, it will come back to the House carrying the item, so why does not the House put it in in the first place?

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, on the point of order I may say that the amendment is not germane. Further than that the committee has under consideration a bill to take care of the matter the gentleman proposes. It has no place in this bill. I insist on the point of order.

Mr. CREAL. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. CREAL. Mr. Chairman, the provisions of that bill referred to do not reach this particular type of case. Fifteen million dollars are made available, it is true, but here is what will happen to the $15,000,000. The big processors will swallow that up before you say "scat," and these fellows standing around with claims of $150 will not get a cent. That $15,000,000 is not a drop in the bucket. I am talking about these fellows with the $30 claims and the $150 claims. Many of them are tenants. A great number of them are relief workers. First, let us pay them what we owe them before we attempt to give them a donation.

Mr. Chairman, as to germaneness, it seems to me that section 3 is very broad indeed. It states—

available for the administration of loans, relief, rural rehabilitation for needy persons.

They need what we owe them. They need what the laws of the land state is justly theirs because we took that which did not belong to us. There seems to be a very wide discretion in there. I was very much in hope the point of order would not be insisted upon, but I want to assure you this will be in the Senate bill, you will take it and like it. I want a specific amount set aside to pay tobacco growers a rebate of this tax.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Kentucky [Mr. CREAL] offers an amendment which seeks to pay money to tobacco growers for taxes alleged to have been illegally assessed. Certainly such amendment has no place in this bill nor does it come within the purposes of the pending bill; therefore, the Chair sustains the point of order.

Mr. JONES. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 4, line 9, after the word "persons", insert a semicolon and the following: "and of the sums made available by this paragraph $2,000,000 may be used for payments to farmers for cover crops, listing, and special practices in extreme drought areas."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order on the amendment.

Mr. JONES. Mr. Chairman, I ask that the point of order be ruled on.

Mr. WOODRUM. Mr. Chairman, I make a point of order for the reason the Chair just ruled on a similar proposition. This undertakes to use relief funds to make certain payments.

The CHAIRMAN. Does the gentleman from Texas [Mr. JONES] desire to be heard on the point of order?

Mr. JONES. Mr. Chairman, I desire to call attention to this difference: In the pending bill this fund is made available for loans, for relief, and for rural rehabilitation for needy persons. The Chair will notice that there is a comma after the word "relief" and there is no comma after "rehabilitation," so that as I construe the language loans may be made without the limitation and relief may be made without the limitation, but rural rehabilitation may be available only to needy persons. It seems to me that is very clear. If there were no commas in there, or if there was a comma after the word "rehabilitation" and before the words "for needy persons," then it would refer to the entire paragraph.

Mr. Chairman, I desire to call attention again to the proposition that this is limited, aside from the point I am making on this particular language. This amendment limits the application of this fund which is sought to be made available by the amendment to the extreme drought areas, which would classify it in relief form, it seems to me. If you make it applicable only to the extreme drought areas, certainly it would be a form of relief, and has been so treated and considered in prevous cases.

The CHAIRMAN. The Chair is ready to rule.

Paragraph 3, page 4, provides that the sums shall be available for administration, loans, relief, and rural rehabilitation for needy persons. That certainly is limited to those on relief.

The gentleman from Texas offers an amendment which would seek to enlarge that class by including a class of farmers whether they may be on relief or not.

The Chair therefore thinks the point of order made by the gentleman from Virginia is well taken, and sustains the point of order.

Mr. JONES. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 4, line 9, after the word "persons", insert a semicolon and the following: "and of the sums made available by this paragraph $2,000,000 may be used for payments to needy farmers for cover crops, listing, and special practices in extreme drought areas."

Mr. JONES. Mr. Chairman, there are a few counties in the five Southwestern States and some scattered counties in other areas where the ravages of dust storms have been very severe and in which great damage is occasioned, not only in those counties but in surrounding counties, with a tendency to spread because of the inability to treat this particular land in the way it should be treated, and the condition in most of these counties has been serious in drought years.

I call attention particularly to the fact that notwithstanding the vast expenditures as provided by this bill, and they are vast expenditures, there is not a single project that could be fashioned which would reach this particularly distressing problem. No project that could be fashioned or formed under this bill could accomplish that purpose. You might put a project in there and you might relieve the folks, but there is special need for treatment of that soil, and the money that goes in there under the ordinary form of Government activities is not sufficient to protect and save that land.

Mr. Chairman, this does not increase the appropriation in any way. It simply makes part of this $175,000,000 fund, which is going to be used for loans and for relief, available for a more effective purpose of saving the land. It would take only $2,000,000 of the $175,000,000 to treat a very serious problem, the effects of which are felt practically all over the Nation. I believe it would be wise if the Congress should vote to allow this land to be treated with cover crops, listing, and special practices to protect not only those counties, but the surrounding counties.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I am very much in sympathy with the amendment of the gentleman, but I am wondering if $2,000,000 will be sufficient to do what he has in mind.

Mr. JONES. We are hoping funds may be available from other sources. Of course, I should like to have more money, but I think a great deal of good would be done with $2,000,000. I wanted to put this proposal on a basis where no one could seriously object to it. This would do a wonderful work. I may state to the gentleman that 2 years ago $2,000,000 was made available, and, by buying the oil and gas for just this kind of work, more valuable work was done, as is recognized by all who are familiar with those sections, than anything that has ever been done with any similar amount of money by the Government in those areas. Every one of those who represent counties in this situation will confirm what I am saying about it.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

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

There was no objection.

Mr. WOODRUM. Mr. Chairman, of course all of us usually follow the distinguished gentleman from Texas on matters of this kind, but may I say I do not believe this relief bill is the place to be starting another farm relief program, and that is what this is. The Farm Security Administration is now using money on a program they have laid out which goes into every farm district and to every class of farmers. The money has been allocated and included in their budget requirements, yet here it is sought to set up a new farm program.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

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

Mr. LUTHER A. JOHNSON. There are a number of farm laborers who really need help and would be benefited by this amendment, I may say to the gentleman.

Mr. WOODRUM. There is no more active, diligent, or efficient committee in the House than the Committee on Agriculture. Its members hold meetings, they understand the farm problem, they have hearings and they go into the problem, and they do not hesitate to come to us when they can bring us anything that will help the farmer. But who knows what is meant by payments to farmers for cover crops, listing, and special practices? This is a new farm program set up in the middle of this relief program. The Farm Security Administration has its program laid out. There is nothing of that kind in it. I submit to you from the agricultural districts that if this is a worthy project why was it not included in the agricultural relief bill we have just passed, and not only passed, but we have amended it almost every day. There is the place to put this new program, not bring it here and inject it into the middle of this bill.

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

Mr. WOODRUM. I am sorry, I have only a little time.

This applies not only to the amendment of our good friend, the gentleman from Texas, but I may say the Committee on Appropriations has worked as hard as it knows how. It has heard Members of Congress and others interested. I do hope this Committee will let this program go through substantially as it has been brought in here without enlarging it or going out into new fields of activity. I hope very much the amendment of the gentleman from Texas will not be adopted.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The question was taken; and on a division (demanded by Mr. JOHNSON of Oklahoma) there were—ayes 29, noes 64.

So the amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. KELLER: On page 2, line 1, after the "(1)", insert "To employ not less than 3,500,000 persons."

On page 2, lines 1 and 2, strike out "$1,250,000,000" and insert "$1,500,000,000."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. The provisions of the amendment are not germane to this paragraph of the bill. They seek to set up the number of persons who are to be employed. There is no attempt anywhere in the bill to specify the number of persons who are to be employed. The amendment is not germane either to the bill or to this paragraph in the bill.

The CHAIRMAN. The Chair is ready to rule.

The whole purpose of the paragraph on page 2 is to provide relief. This amendment seeks to fix the number of persons to be employed and also to increase the appropriation.

The Chair thinks the amendment is germane and in order and, therefore, overrules the point of order.

Mr. KELLER. Mr. Chairman, before I make any other remark, I wish to say the present bill is far and away the most liberal bill, both in its provisions and its attitude, of any of the bills that have been brought forward on the subject of relief. This bill has corrected many of the faults of previous bills. I noticed awhile ago that the statement is still being made on the floor of the House that when a man on work relief loses his job he is out and cannot get back on work relief again. This is no longer the rule, and this bill specifically corrects that abuse.

As has been stated by the chairman of the subcommittee, the idea of this bill is to provide for 2,800,000 persons. In my judgment, that is inadequate. This amendment represents not only my own idea but it was suggested by the progressive group as the only amendment we care to put forward on this bill.

We want to bring to your attention the fact that an additional 700,000 men and an additional quarter of a billion dollars of money would largely solve the conditions that are arising so rapidly at the present time.

I have no doubt that it is in the mind of most men in this body that we are coming sooner or later to a full acceptance of the idea put forward by the gentleman from New York [Mr. LANZETTA] that we will be compelled ultimately to see to it that there is provided an opportunity for a job for every man or woman who wants to work. We are coming to that very policy and we ought to see clearly that this is true. We are not going to be very long in getting to it, in adopting and accepting it nationally.

But at the present time we are doing the best we can to provide a sufficient amount of money to employ 3,500,000 workers through W. P. A. during the coming 7 months.

I want to repeat that this measure is the most liberal that has ever been proposed here. We ought also to see that all these arguments against the amount of money to be expended are not well founded; that is to say, they are saying you have got to balance the Budget, that the Nation is just about to go broke, that our children will be pauperized paying these terrible debts, and a lot of other foolish scare stuff. The truth of the matter is our total national indebtedness at the present time is only about 8⅓ percent of our national wealth. At the end of the Civil War our total national indebtedness constituted 17⅔ percent of our total national wealth. We paid that without difficulty. If we reduce our present debt condition to plain common sense we will see we are not in any danger.

Let us apply it to a given individual. If a man owns a $10,000 farm and owes 8⅓ percent of its value, his debt would be $833 on it, he would owe exactly the same proportion we owe nationally at the present time. No farmer that I know of, and I am one of them, would be scared with $833 of indebtedness against a $10,000 farm. It just is not sensible to look at that side of it at all. We have got to look at this whole problem as a thing we must do, and go ahead and do it.

The mistake came in not providing a much larger sum last summer when we needed it, when the conspiracy had arisen to break down the New Deal. What the administration ought to have done at that time was to announce that $3,000,000,000 was available for expenditure and that we would spend as much as necessary to keep up the increasing employment and resulting national income. I wired the President I thought that ought to be done. If that had been done last August it would have stopped the recession we have been experiencing during the past few months, would have picked up employment, improved ability to spend, and kept up the 3-year long improvement in the industry of the country, and given us $75,000,000,000 national income this year instead of fifty-five billions.

From the very beginning of this administration we have listened all too much to the advice of those interests which are fundamentally opposed to the New Deal. Instead of spending to the full extent of providing a job for every man and woman who wants to work, as we ought to have done, we have scrimped and pinched and talked about balancing the Budget. We provided jobs for no more than one-third of our unwillingly idle at any time. That has been our mistake from the beginning. If we had put everybody to work doing permanently useful work during the past 2 years, when planning ahead permitted it, our national income would have reached $100,000,000,000 for this year 1938. Out of $100,000,000,000 income we can take sufficient money through legitimate taxation to equal our expenses and begin to pay the debts we have been piling up. And we are not going to do this Budget balancing stunt until we do approach that annual national income. That is our task. To talk relief and overlook this necessity is to continue to be penny-wise and dollar foolish.

This bill now under consideration is a fine relief bill, but a poor recovery measure. I hope we may open our eyes to this fact. We should have been done with relief 2 years ago, and been forcing the recovery of the age of plenty. That I repeat is our problem. We ought no longer to give heed to the advice of those interests—who sing lullabyes to us while seeking to scuttle the ship of state.

[Here the gavel fell.]

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

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

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

There was no objection.

Mr. VOORHIS. Mr. Chairman, what the country needs desperately is an immediate increase in employment and active buying power. This bill, as the gentleman from Illinois has said, is by far the best bill of this sort that has ever been brought in here, the best balanced, containing the most improvement of a permanent and solid nature, but we know, if we know anything, that the work in housing, the work on P. W. A., and a number of other items in this bill will take time to get started. The W. P. A. is the only agency, practically, in the whole bill which can immediately put people to work. Therefore it is our conviction that this amendment should be adopted in order to enable W. P. A. to take the load right now, to take it vigorously, and take it sufficiently to do some real good immediately. Then next winter, in view of the fact that this appropriation for W. P. A. is only supposed to last for 7 months, if these other parts of the program have then taken up the slack and caused increased employment in other fields, it will evidently be possible to consider how much is required for W. P. A. for the balance of the year. The amount of the appropriation contained in the bill for W. P. A., however, will not be enough for any considerable increase in W. P. A. employment. Only 2,800,000 can be employed with $1,250,000,000—not even one out of four of our unemployed.

As the gentleman from Illinois has pointed out, this is a measure which merely offers a minimum of justice to a fraction of the unemployed among the American people. It is an evidence of democratic government doing a necessary thing, not solving the problem, but partially meeting a need that must be met. I am convinced that in order to have a balance in this program, the essential thing is to enable W. P. A. to expand quickly and sufficiently, and then it can coordinate its employment with the other parts of the recovery as they get under way in earnest. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Illinois [Mr. KELLER].

The question was taken; and on a division (demanded by Mr. WOODRUM) there were—ayes 23, noes 61.

So the amendment was rejected.

Mr. O'NEILL of New Jersey. Mr. Chairman, the passage of the bill under consideration will mean jobs, and jobs are needed. The "save America" boys have been getting a lot off their chests during this debate, but I doubt very much that there will be very many of them who will vote against the bill for they honestly know that there is no other thing that can be immediately done to relieve a threatening situation. One argument has been particularly amusing—the suggestion that the Government is in business and that recovery will come if we repeal the social advances made through legislation enacted by this Democratic Congress. It is amusing when we recall that less than a year ago the President of the United States sent his Secretary of the Treasury to New York to make the famous "balance the Budget" speech and its only echo from business was "we are afraid." We can recall the fact that the President in order to take "Government out

of business" suspended the operation of the Public Works Administration and returned to the Treasury some $300,000,000. Still business did not take up the slack. As a further concession to the "do not spenders" the Works Progress Administration rolls were reduced in every State and the amount of compensation reduced. Some who were receiving as little as $70 a month on which to keep themselves and their families in health were reduced to $60. And still business was unable to bring about any improvement. I was among those in my party who, in an effort to cooperate with those who were complaining about large spending and oppressive taxation, helped defeat certain administration tax recommendations during the consideration of the revenue bill. We all know that the undistributed-profits tax is practically out of the act entirely. Luxury and nuisance taxes have been almost entirely repealed. What further concessions can be made? Since the beginning of all this retrenchment the rolls of the unemployed have been steadily increasing. Where are people going to turn for help. This is their Government, all the people of the Nation are the Government, and we might consider that only the accident of opportunity makes it possible for some to have more than they need while others have uncertain shelter, insufficient food and clothing.

I received the following letter today. Of course, I will not read into the RECORD the name of the sender, but you may see it if you wish. It is addressed on the stationery of an Atlantic City Hotel, and reads as follows:

To the Honorable EDWARD L. O'NEILL.

MY DEAR MR. O'NEILL: As a voter in your district I beg and implore you to vote against and to do all in your power to prevent the passage of the spending bill. Prevent inflation. Vote American. Be American. Save America.

Very truly yours,

You have all heard of Atlantic City—America's playground. The writer of the letter has little to worry about, being able to afford its luxuries and conveniences. Maybe if another administration had prevented the gambling inflation of the 1920's we would not have our present-day problem. Save America? Save it in the only way possible—take care of its people. America is threatened. There is no use denying that. Alien isms are permeating. Our less fortunate are nibbling and biting on these philosophies. Hungry people will not care about the Constitution. They will not care either about a three-branch form of government—a government of checks and balances. Only one thing means anything to a hungry man—a way in which to satisfy his hunger.

Those who advocate subversive principles will never be able to sell them to the American people. America is safe in that respect. But if those whose education and opportunity have enabled them to ascend somewhat on the economic ladder, those who should the more appreciate the free government under which they live, do not see the light in time and know that their fellow citizens in need are their obligation, the things they value most are in danger, not from opposition—from Communists and Fascists—but from America itself. Unyielding greed will bring it about. There will be hunger marches. More "bonus" armies.

It is a difficult job, but a clear-cut one, to take the greed out of those who "have" and the envy out of those who "have not." Cooperation with an administration the sole purpose of which is to improve the economic and social well-being of all of its people will bring it about.

The bill under consideration will enable the W. P. A. to pay a living wage. It will make room for hundreds of thousands of others unable to find work anywhere. It will make possible the carrying out of essential bublic projects by the municipalities of the Nation—hospitals, road building, bridge construction, new public buildings. It will extend the accomplishments of the National Youth Administration—a more educated America. It will mean a program of work. We tried it once and it did not fail. We simply began to stop too soon.

I hope that before we adjourn tonight an overwhelming majority of the House will have placed its approval upon it. [Applause.]

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

The Clerk read as follows:

Amendment offered by Mr. HULL: Page 4, line 8, after the word "loans" insert "including loans to farmers to prevent farm mortgage foreclosures."

Mr. WOODRUM. Mr. Chairman, I make the point of order on that.

Mr. HULL. Mr. Chairman, will the gentleman reserve his point of order.

Mr. WOODRUM. I reserve it briefly.

Mr. HULL. Mr. Chairman, I am offering this in order that the rehabilitation program may be so extended as to take care of those farmers who are losing their farms on farm-mortgage foreclosures. As it is at present, and as the law is at present, the Farm Security Administration can wait until a farmer has been sold out under foreclosure proceedings and is completely down and out, and then it can make him a loan up to three or four thousand dollars in order to reestablish him on some other farm. With the amount which will become available under this bill, it should be easily possible for the Farm Security Administration to aid many farmers before they are sold out under foreclosure proceedings, keeping them on the farm and giving them a chance on the old place to go ahead and make some progress. In the 11 counties which I happen to represent, and I think they are typical of the farming districts of the Northwest, the Federal land bank now owns 439 farms that have been acquired under foreclosure proceedings. In addition to that they are bringing about 500 or more foreclosures at this time, so that within a 12- or 14-month period, the Land Bank of St. Paul, Minn., is going to own pretty close to 800 farms in our district. In one county in my district they already own over 100 dairy farms. In another county they own 89 dairy farms, and they are proceeding with their foreclosures now at a greater rate than has been done since the depression started.

Furthermore, the price of farm products has gone into a continued decline and the income of the farmers of the dairy sections is going to be very much less this year than it was in 1937, when 305 farms were foreclosed and sold. The number of farm foreclosures is going to be rapidly increased in the next 12 to 15 months. All I ask is that the Farm Security Administration may provide the same assistance and make the same provisions for the farmer on his farm who is about to be sold out as it provides for that same farmer immediately after he is sold out. In other words, I think they should keep the man on the farm, and not make him lose his all through foreclosure procedure. I hope the gentleman from Virginia will withdraw his point of order. It seems to me that the Farm Security Administration can properly handle the matter.

Mr. WOODRUM. Mr. Chairman, I insist upon the point of order that it is not germane. It seeks to set up a different procedure on farm mortgages for particular purposes. It does not qualify under the section for needy persons.

Mr. HULL. Mr. Chairman, I desire to be heard on the point of order. The bill now provides for loans, under the Farm Security Act, for the rehabilitation of farmers. All that my amendment does is to extend that same assistance to the farmer before he loses his farm instead of providing for it after he loses his farm. It does seem to me that it is not such a broadening of powers as to make it subject to a point of order.

The CHAIRMAN. It is true that the bill does provide for rural rehabilitation for needy persons, but it does not provide anywhere in the bill for the subject of farm mortgages, and by that inclusion it certainly widens the basic scope of the bill. The Chair is of opinion that the amendment is not germane, and therefore sustains the point of order.

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

The Clerk read as follows:

Amendment offered by Mr. FERGUSON: Page 5, line 15, after the semicolon, strike out "(a) National Emergency Council, $250,000."

Mr. FERGUSON. Mr. Chairman, the National Resources Committee was created by Executive order. It is not a creature of the Congress. They have functioned to review reports and surveys made by the Reclamation Service, the Army engineers, and the Department of Commerce. All you gentlemen are familiar with this green-covered book which represents their work on water resources last year, Drainage Basin Problems and Programs. There is not one valuable thing in that book. They got all of their information from existing agencies, some of it 3 and 4 years old and obsolete, and printed it in this book. Gentlemen, you are familiar with the large book on technocracy; that is, you are familiar with the cover of the book, but have never looked on the inside of it. In addition to the book on technocracy, this National Resources Committee published Our Cities in the National Economy, and Alaska, Its Resources and Developments.

All this information they gather up and rehash and put into books and forward them over to Members of Congress. We are going to spend under this bill $250,000 to continue this absolutely unnecessary and unjustified Board.

The Budget reports that last year the two biggest items of expense of this National Resources Committee were $97,000 for travel and $88,000 for printing. Again I repeat that the material contained in the books with which we are deluged but which we do not read is just a rehash of materials they gathered from other existing governmental agencies. I cannot think that this House will be guilty of providing $250,000 in a relief bill to continue the National Resources Board.

I happen to serve on the Rivers and Harbors, the Flood Control, and the Irrigation and Reclamation Committees. There is a certain procedure for projects. They are first surveyed by the Reclamation Service or the Board of Army Engineers. Report is made to Congress. The project is examined by a committee and if approved is recommended to Congress and the money is appropriated. There is absolutely no excuse for the expense of this National Resources Board. If we need a planning committee the Committee on Rivers and Harbors have reported out a bill providing for a planning commission that this Congress can create.

I hope the committee will strike out this $250,000, because that is too high a price to pay for this kind of publications. I challenge any on this floor to say that they feel the publications issued by this committee have been of any value to the Congress.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I move that all debate on this amendment close in 2 minutes.

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

There was no objection.

Mr. WOODRUM. Mr. Chairman, it is true that the National Resources Committee was created by Executive order. If the gentleman will examine the hearings on the subject before the committee, he or any other Member sufficiently interested will see that we went into this matter very carefully. The amount provided for administrative expenses greatly restricts and reduces the program of the National Resources Committee.

This committee has done very valuable work, as shown in their reports, their studies, and their publications—really pioneer work on the question of the natural resources of the United States. They have collected data and information which is very valuable to the Congress and its committees.

I may state that we reduced them from $830,000 to $250,000, leaving them but a small skeleton organization until Congress can decide by legislation whether or not they desire to carry it on.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Virginia has expired; all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. WOODRUM) there were—ayes 46, noes 37.

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

Tellers were ordered, and the Chair appointed as tellers Mr. FERGUSON and Mr. WOODRUM.

The Committee again divided; and the tellers reported that there were—ayes 49, noes 71.

So the amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. HAMILTON: Page 4, line 9, strike out the semicolon and insert a comma and the following: "and out of this amount so appropriated the Secretary of Agriculture shall use such as may be necessary to reimburse small farmer processors of meat and like products for taxes heretofore illegally collected. The Secretary of Agriculture shall prescribe such rules as are necessary to make such payments to the proper parties in interest who file their claims by December 31, 1938."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order on the amendment.

Mr. HAMILTON. Mr. Chairman, there are throughout the country thousands of small farmer processors of meat and like products who failed to file by July 1, 1937, their claim for refund of processing taxes found to have been illegally collected. This amendment will take care of that situation. I sincerely hope for its adoption and passage.

While it has been estimated that as much as $500,000,000 would be required to take care of processing-tax refunds where claims were not filed before the expiration of the time limit for filing July 1, 1937, the amount required for refunds to small farmer processors would be comparatively small. The amount has been estimated as possibly under $500,000.

Small farmers were in many instances without knowledge of their right to file claim for processing-tax refunds. They should not be penalized under such circumstances. I feel, and I believe the majority of the membership of this House must feel, that where it would take probably less than $500,000 to make refunds to small farmer processors, here referred to, such action should be taken as would give the required relief.

While the amounts in individual cases may be considered small they are large to those who are affected. We must help those who probably had no means of knowing rights that were theirs but rights that have now expired under the 1936 act of the Seventy-fourth Congress.

I truly hope it may be possible by the adoption of the amendment I have here offered that the deserving, and in many instances the needy small farmer, may be given relief. This is a relief bill we are considering. Why should not the farmer, the small farmer processor, I say, be given relief in the form of refund of processing taxes illegally collected. I say this is the time and place, in this relief bill, to provide for the thousands of small farmer processors all over the United States who lost the opportunity of securing tax refunds simply because they were without the knowledge that they had the right to such refunds. It is not just to hold in the public treasury money illegally collected from any, much less the small farmers who are just now in as much need of relief as any class of our American citizenship suffering from the present depression, recession, or whatever we may call the current condition of the country.

The CHAIRMAN. For the same reason stated by the Chair in sustaining the point of order against the amendment offered by the gentleman from Kentucky [Mr. CREAL], the Chair sustains the point of order against this amendment.

Mr. MICHENER. Mr. Chairman, we are now considering what might properly be called an omnibus-spending resolution. Omnibus bills brought before the House for consideration can, as a rule, be divided into two classes: First, where similar legislation over which a particular committee has jurisdiction is included in one bill for the purpose of saving time in consideration; second, where like proposals, some of which do not have sufficient justification to guarantee passage by the House, are included together, so that one desiring to vote for the meritorious objective must vote for the undesirable proposal, or be accused of voting against that which he favors. An illustration of the second class was the

omnibus judgeship bill, forced through the House a few days ago. This bill, providing needed judges, carried with it unnecessary judges. The needed judges carried on their backs the unnecessary ones.

The resolution before us consists of three titles:

Title I provides for "work relief and relief."

Title II provides for "Public Works Administration projects."

Title III provides for "Federal public buildings."

Title I purports to provide relief for the needy unemployed. It should not be coupled with the remaining provisions of the bill, which have to do with spending and pump-priming. The two matters should be dealt with in separate bills. The minority committee report makes this fact very clear. I dare say there is not a Member of the House who would vote against or object to providing every dollar of money necessary for actual relief of our people. For my part, I shall be very glad to vote for the $1,250,000,000 provided for in title I, as recommended by the President, to be spent for relief of our unfortunate friends and neighbors who, through no fault of their own, find themselves in distressed circumstances for the time being. Be it remembered that this amount is called "emergency" and is expected to furnish sufficient relief for but the first 7 months of the new fiscal year—July 1, 1938, to February 1, 1939.

A motion will be offered to send this bill back to the Committee on Appropriations with instructions that the committee report a bill back at once providing that the $1,250,000,000 for relief shall be contributed by the Federal Government to the States, that it shall reach the reliefer through a bipartisan board set up by the State, and that the necessity for relief shall be passed upon in each case by a nonpolitical local agency. There should be no politics in the distribution of relief. Republicans get hungry and need clothing just the same as Democrats. The political ticket one votes should not be a factor in determining the advisability of providing that individual with the necessities of life or with an honorable job. There has been too much political coercion in the administration of relief, and it is my thought that this element should be removed from the administration of the law.

Titles II and III, providing for Public Works Administration projects and Federal public buildings, should be divorced from this emergency relief legislation. With the changes I have suggested this bill would pass the House almost unanimously. I realize, however, that the bill will pass in any form the administration demands, as long as it carries the vast expenditures to be made in the respective States and in the respective congressional districts. I also realize that this is election year, and that a vast sum of money poured into each congressional district through channels, ofttimes at least, partially controlled by political preferment is most effective, and that it is very difficult for many Members of Congress to vote against appropriations that might, perchance, wield powerful influence in the primaries and elections that are just ahead.

When recently the President asked for $250,000,000 relief money to care for the needy during the rest of this fiscal year, I voted for that amount because I knew that there was necessity, and, in my remarks found on page 693 in the Appendix of the CONGRESSIONAL RECORD, I made clear my views concerning the relief question as it is now presented to us, and I shall not repeat what I said then.

There is much constructive criticism that can be aimed at the present Federal administration of relief funds. For instance, I do not believe that the cost of the Federal relief bureaucracy, which is over $125,000,000 a year, is justified, and I am just as convinced that if the motion to recommit, to which I have referred, is adopted, and this matter turned back to the States, the little fellow who needs the help will get more money and the bureaucracy will receive less. Possibly there has been some unjust criticism about "political" relief, yet enough specific instances have been presented to convince any fair-minded person that relief has been used for the purpose of influencing elections, and that the party in power has, and is, taking advantage of this supposedly humanitarian agency in order to perpetuate itself in office. In short, the political manipulation of relief is now deeply impressed upon the public mind. It is the duty of Congress to remove this psychology by removing the cause, and this can be done as I have suggested. Investigation shows us that relief has become the Nation's fourth largest industry. Only farming, manufacturing, and service industries engage more workers than are getting some form of relief subsidy. More people are obtaining Government aid in one form or another than secure their living from all the mining, public utilities, transportation, and construction employment in the country. This is an appalling situation in the greatest and wealthiest Nation in all the world.

When President Roosevelt came into office, the country was in a terrible condition. Things had grown progressively worse from election day in 1932 until March 4, 1933. No President ever entered the White House with more general support from all of the people. His preelection utterances had given the country to understand that he stood squarely on the Democratic platform of 1932 and would carry out its provisions. He started on this course and the country responded. Things grew rapidly better until the fall of 1933 when the N. R. A. and the real New Deal philosophy for the first time became apparent. We were told that the country must be made over; that our past should be forgotten; that our future should be charted along a new course, and with advisers like Professor Tugwell at the helm, we embarked upon this new philosophy of government. I say "new philosophy." Possibly I should say Old World philosophy, transplanted in the soil of our democracy. We were to have a new form of government, and apparently all effort was expended to reach that objective. One attempted reform followed quickly upon the heels of another. There was a planned economy which, if carried to its logical conclusion, will truly make over our American democracy.

In the meantime, it was necessary to finance our people during the transition and the lending-spending policy came into being. There were those among us who cried out against the folly of our Government spending itself into prosperity. The people evidently had confidence in the New Deal, however, and were willing to give it every chance. For 5 long years we have primed the pump. We have spent more than $16,000,000,000 in attempting to make the economic pump work. We have increased our national debt from $21,000,000,000 to approximately $38,000,000,000 at this good hour, and if this bill which we are now considering becomes a law, that national debt will be more than $41,000,000,000. The man among us who envisions less than a $50,000,000,000 national debt in 1940, if we continue this policy, is an optimist indeed.

Our people begin to realize the fallacy of these spending, pump-priming endeavors, and I believe will soon become articulate. I have always said that the masses of our people can be trusted, and usually reach the correct conclusion, when they have the facts. In this instance, hard-headed, American common sense tells all of us that any theory which has for its basis 5 years of stimulants and opiates, and which has utterly failed, should immediately be abandoned.

The gentleman from Virginia [Mr. WOODRUM] pictured the young man in the hospital, who had been bedridden for more than a year, who had had innumerable blood transfusions, who had been kept under the influence of opiates to relieve the pain most of the time. He likened that young man to the condition of our country today, and seemed dumfounded at the thought that the transfusion should be lessened and that the treatment should be changed. He advises more transfusions and more opiates, but no change of treatment.

I cannot agree with his philosophy. It seems to me that new physicians and surgeons should be called in; that new treatment should be decided upon and tried immediately. If the young man has made no progress and is worse off today than he was a year ago, surely something should be done for him. So it is with our country. The country has had 5 years of the same opiates and treatment. We have more men out of work than ever before. We have more people in distress. We are billions more in debt. We have

a weakened morale among our people. Fear—and justified fear—is abroad in the land. We need a different type of treatment. We need a different group of doctors to diagnose our case. This bill will give us neither.

Industry, business, and the investor, large and small, have lost confidence in the Government. This lack of confidence in our Government is no joke. It is a very serious matter. The worst thing that the Government can do for its people is to create a permanent W. P. A. and make it necessary for a large number of our people to rely always upon the Government for jobs. There is no future in W. P. A. employment, any more than there is in the dole. No one wants a permanent dole, and, by the same token, no real American wants a permanent job on W. P. A. at starvation wages.

Wages permitting our people to live according to American standards can only be paid by jobs coming from private industry and private initiative—call it the profit system or or what not. Of course, there must be cooperation between industry and government, but there can be no cooperation as long as either industry or government hates and condemns the other. Neither has been perfect in the past. The thing to do is to bury the hatchet, sit down around the table, and go ahead for the common good.

Business can hardly be expected to take the initiative so long as reprisals on the part of the Government are the order of the day and so long as it is taxed beyond all reason. We cannot tax business into prosperity any more than we can spend ourselves into prosperity. We must not lose sight of the fact that every tax dollar makes just one less consumer purchasing dollar. The Government can never pay doles or relief wages that will bring back the purchasing power of our people necessary to consume what we can and should produce. The national income during the last year was almost at a minimum. We must have from ninety to one hundred billion dollars a year of national income if all our people are to be prosperous and live according to American standards, and surely it has been demonstrated that pump priming will not bring that about.

In fact, the old pump is about worn out. The Government is about exhausted in the effort to lift the water from the well, and the more we prime and the more we pump the worse we are off. We are taking the pitcher to the well once too often. The priming dollars are about gone, the taxpayer who has furnished the money to put into the pump has been bled white, he is too weak to withstand further extraction.

Now, we all realize that there will be a temporary economic flurry if this four to six billion dollars is placed in circulation, but mark my words, in the end we will find ourselves worse off than we are today, and then what? There can be but one answer—ruination. That ruination must come about either through disastrous inflation or ignominious repudiation. I cannot conceive of the Congress ever deliberately repudiating all of our obligations. I can conceive of a government, as was done in Germany, taking that which seems to be the easiest way out and drowning its debts in a sea of worthless money.

For these and many other reasons which time prevents my discussing, I am compelled to vote against the pump-priming, spending features of this ill-conceived measure. If the House eliminates these unwise features and the final vote is on the relief item alone as embodied in title I, I shall be pleased to vote for the bill, because that will be relief. The assurance of the gentleman from Virginia [Mr. WOODRUM] that the passage of this bill will assure the construction of a new post office in every congressional district does not intrigue me. If we want to indulge in a mammoth Government building program, why not let that proposition stand on its own merits and not hitch it up with an emergency relief measure? I refuse to be intimidated by threats or promises or stampeded in the name of relief.

Experience is only valuable as we profit by it. Five years has taught us the futility of what is here proposed. A vote for this bill is in the end not a vote for recovery. Millions for necessary relief but not one cent for proven disastrous experiments or political pump priming should be our determination.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 2. The funds appropriated in this title to the Works Progress Administration shall be so apportioned and distributed over the period ending January 31, 1939, and shall be so administered during such period as to constitute the total amount that will be furnished to such Administration during such period for relief purposes, and the funds appropriated in this title to the Secretary of Agriculture, to the Works Progress Administration for the National Youth Administration, and to the other agencies, shall be so apportioned and distributed over the 12 months of the fiscal year ending June 30, 1939, and shall be so administered during such fiscal year as to constitute the total amounts that will be furnished to the Secretary of Agriculture, to the Works Progress Administration for the National Youth Administration, and to the other agencies during such fiscal year for the purposes of this title.

Mr. LANZETTA. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LANZETTA: Page 6, line 17, after the period, insert a colon and the following: "*Provided*, That the Works Progress Administration shall so administer the funds allotted to it and so regulate the employment of unemployed persons that no Works Progress Administration worker who cannot find employment in private industry at wages not less than the prevailing rate of wages, for work for which he or she is reasonably fitted by training or experience, shall be discharged from the Works Progress Administration rolls, and that any Works Progress Administration employee securing temporary private employment shall be furloughed during the period of private employment by the Works Progress Administration and not discharged from the rolls: *Provided*, That nothing in this resolution shall be construed to force the Works Progress Administration to continue the employment of any person who is properly dischargeable for cause."

Mr. WOODRUM. Mr. Chairman, I make a point of order against the amendment.

The amendment offered by the gentleman from New York [Mr. LANZETTA] is the same amendment he offered earlier in the bill. He offers it now to line 17, page 6, as an additional part of section 2. The effect of his amendment is entirely the opposite to that portion of the section which he seeks to amend.

The CHAIRMAN. The Chair is ready to rule.

When this amendment was offered to section 1 of the bill the Chair sustained the point of order because it was clearly not germane to that section. The Chair thinks it is germane to this section.

The question raised by the gentleman from Virginia [Mr. WOODRUM] is one of consistency over which the Chair has no control.

The Chair overrules the point of order.

Mr. LANZETTA. Mr. Chairman, this amendment, as stated by the gentleman from Virginia, is similar to the amendment which I offered a short time ago. For the benefit of the Members who were not in the Chamber at the time I offered the first amendment, may I say that this amendment embodies the main provisions of House Joint Resolution 440, popularly known as the Schwellenbach-Allen resolution, and provides as follows: First, it prohibits the discharge of W. P. A. workers who cannot find employment in private industry, and second, it permits the furloughing of W. P. A. workers during the period of their employment in private industry and allows for their reemployment by the W. P. A. immediately upon the termination of their private employment.

As previously stated, I think that the inclusion of this amendment to the bill now under consideration will help solve our unemployment problem, because it will encourage persons who are on the W. P. A. to seek private employment. These men and women will only seek private employment if they are assured of reinstatement in the event they lose out and cannot find other employment, and unless my amendment is adopted we cannot blame them very much for sticking close to their W. P. A. jobs. This amendment will bring about no harm that I can see, nor will it increase the cost of administering our work-relief program.

With respect to the first proviso of my amendment that no man or woman shall be discharged from the W. P. A. unless he or she can obtain employment in private industry, may I say that this provision will have a salutary effect, first, because it will keep these workers off the unemployment rolls at a time when workers from private industry are being added to it, and second, it will prevent the chiselers in industry from taking advantage of a labor glut on the market by reducing wages and increasing the hours of labor.

This amendment does not increase the appropriation. It gives the W. P. A. workers a chance to have a job until such time as they can find outside employment and it also gives them an opportunity to seek and obtain outside employment and to be reinstated if and when they lose their jobs.

Mr. Chairman, I trust the amendment will be agreed to.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 2 minutes.

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

There was no objection.

Mr. WOODRUM. Mr. Chairman, of course, this amendment is a direct reversal of all the policy that is contained in the relief bill. In the first place it declares the policy to be to give a job to everybody who is out of work.

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

Mr. WOODRUM. No, I cannot yield.

Mr. LANZETTA. For the purpose of correction.

Mr. WOODRUM. Oh, I do not need any correction. I cannot yield to the gentleman, because I have only 2 minutes.

That is what the amendment states.

Mr. LANZETTA. I struck out the first sentence, I may say to the gentleman from Virginia, and my amendment begins with the second sentence.

Mr. WOODRUM. All right. The C. I. O., the American Federation of Labor, and the Workers' Alliance all came before our committee. None of them made any complaint about the adequacy of this program, appropriating as it does for about 4,000,000 jobs. Under this amendment a man not only has to be given a job but if he gets a job in private industry his job must be kept for him until he comes back, if he ever wants to come back to it. You have to furlough him and save the job and save the money for him. It will absolutely destroy the effect of this relief bill to write an amendment of this kind into it.

Mr. Chairman, I hope very much the amendment will not be agreed to.

[Here the gavel fell.]

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

The question was taken; and on a division (demanded by Mr. LANZETTA) there were—ayes 13, noes 61.

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

Tellers were refused.

So the amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 6, line 1, strike out all of section 2.

Mr. BOILEAU. Mr. Chairman, this section is similar to the so-called Woodrum amendment that was put in the bill last year and which, in my judgment, caused a great deal of hardship throughout the country. However, this section goes further than the amendment of last year did. So far as this section applies only to the W. P. A. I do not believe there will be any objection, because the funds appropriated for the W. P. A. in this bill are for the period beginning July 1 and ending January 31, a 7-month period, during which we are not going to be in session. Therefore, we have to appropriate enough money now to cover that 7-month period, so section 2, so far as the W. P. A. funds are concerned, is unnecessary and at the same time unimportant. I do not believe there is any real objection to it. The section should not be in the bill, in my judgment, but it does not make much difference because we will not be in session, and the money that is made available for W. P. A. will, of necessity, have to be spent over this 7-month period.

However, section 2 goes one step further, which, in my judgment, does make a big difference, because it provides that the $175,000,000 appropriated to the Secretary of Agriculture for relief and loans and rural rehabilitation for needy persons must be spent over the entire fiscal year; that is, it must be so spent by the Secretary of Agriculture that the $175,000,000 will last the entire 12 months. I maintain this is discriminating against agriculture. We are appropriating for the W. P. A. only for the 7-month period, until we return at the next session, but we say the amount we are appropriating to the Secretary of Agriculture for relief to the farmers must be spent over the entire 12-month period, so there will be an average of approximately $14,500,000 per month over the 12 months. If we knew at this time exactly when the farmers were going to need this kind of assistance, it might be all right, but we do not know when the drought will require more aid for the agricultural area. The drought might come early and its results might be more disastrous than are now anticipated. We might have a terrible condition during this summer and this fall as far as agriculture is concerned, but still, under the provisions of this section, the Secretary of Agriculture would be required so to disburse these funds as to make them spread over the 12-month period. I maintain the Secretary of Agriculture in this rehabilitation work among the farmers should have a free range to administer the funds in such a way as to relieve human misery and relieve the conditions among the people in the agricultural sections of this country. If they are in need of assistance during this summer and this fall, he should spend such part of this money as is necessary properly to give relief to them.

I maintain, therefore, that as far as the W. P. A. is concerned, the striking out of section 2 will have no effect; but if you strike out section 2, then, as far as agriculture is concerned, you will give the Secretary of Agriculture the right to use all of the $175,000,000 between now and the time Congress reconvenes, if in his judgment and the judgment of the administration the expenditure of that amount of money is absolutely necessary for the relief of the people in the agricultural sections of the country. I appeal to the membership of the House to strike out this section. It will do no harm to the W. P. A. program, but it will enable the Secretary of Agriculture to administer these funds for the rehabilitation of the people engaged in agriculture in larger amounts if such larger amounts are needed during this fall and before Congress reconvenes.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 3 minutes.

The CHAIRMAN (Mr. COOPER). Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Chairman, the committee in allocating these amounts and in providing for a 7-month period for W. P. A. followed the recommendations not only of the Works Progress Administration, but the other groups interested in relief. They raised no objection to this provision.

With reference to the Farm Security Administration the committee has given them every penny they said they needed for their program for 12 months, which is $175,000,000 for next year as against $125,000,000 for comparable purposes for this fiscal year. This is every penny they said they would need for the 12-month period, and the same thing is true of the National Youth Administration, which was given $75,000,000 as against $52,500,000 for the last 12-month period.

These agencies had no hesitancy in saying that they could estimate with reasonable accuracy what their requirements would be, and this provision does not require the funds to be allocated on an equal monthly basis. They can use it any way they see fit during this period. The Secretary of Agriculture made no complaint about it and is perfectly satisfied that the amount of money under this provision will

enable the Farm Security Administration to meet the situation as it may exist.

If any great emergency should arise Congress will still be here. I am afraid we will be here for some time to come yet, and we will certainly be here in January.

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

Mr. WOODRUM. I yield.

Mr. BOILEAU. But the intention is to prohibit them from using all of this fund between now and January.

Mr. WOODRUM. No; they can apportion it over a 12-month period in any way they may determine.

Mr. BOILEAU. If the Secretary of Agriculture should determine that the whole sum of $175,000,000 should be used between now and February, would he have the right to do so?

Mr. WOODRUM. He would have that right, but would have nothing to spend for the other months unless Congress gave it to him.

Mr. BOILEAU. Then this section means nothing.

Mr. WOODRUM. The gentleman is borrowing trouble. The Secretary of Agriculture and the Farm Security Administration and the groups interested in the matter do not find or anticipate any such danger as the gentleman is conjuring up in his imagination.

Mr. BOILEAU. I submit the Secretary of Agriculture is not going to be able to tell what kind of weather we are going to have. He may be a very able man, but he cannot do that.

Mr. WOODRUM. I think the Secretary of Agriculture and the Farm Security Administration have been willing always to ask for what they needed and we have given them just that.

I may say, Mr. Chairman, this amendment is an administrative provision in this bill which is logical and orderly and in the interest of administering this program not only to meet relief, but with some regard to protection of the Treasury of the United States. We have given the Farm Security Administration $175,000,000, which is the amount they say they need for their 12-month period, and certainly no one can find fault with that. They have not been cut a penny and this is $50,000,000 more than they have for the current year.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield for one question?

Mr. WOODRUM. I yield to the gentleman.

Mr. BOILEAU. I appreciate the gentleman's courtesy and I submit that I am willing to withdraw my amendment if the gentleman will say unequivocably, here and now, that the Secretary of Agriculture can, if he sees fit to do so, and if it is necessary for purposes of relief, spend the entire $175,000,000 between now and the first of February.

Mr. WOODRUM. I think he can apportion it over that period according to his judgment and this provision. Of course, he must go to the Budget and the Budget regulates the allocation. The gentleman knows that W. P. A., working last year under this amendment, did not spend the money in equal monthly installments.

Mr. BOILEAU. I know that.

Mr. WOODRUM. And that is what the Secretary of Agriculture will do in this instance. He has given himself some leeway and has asked for every penny he thought would be needed.

Mr. Chairman, I hope very much the gentleman's amendment will not be agreed to.

[Here the gavel fell.]

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

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 10, noes 56.

So the amendment was rejected.

The Clerk read as follows:

SEC. 3. The Administrator of the Works Progress Administration is authorized to allocate to other Federal departments, establishments, and agencies, for the purpose of operating projects of the types specified for the Works Progress Administration under section 1 of this title, including administrative expenses of any such department, establishment, or agency incident to the operation of such projects, not to exceed $50,000,000 of the funds made available by such section to such Administration and to prescribe rules and regulations for the operation of such projects: *Provided*, That not to exceed 5 percent of the total amount so allotted to any such department, establishment, or agency shall be expended for such administrative expenses.

SEC. 4. The Works Progress Administration, the National Youth Administration within the Works Progress Administration, the Farm Security Administration within the Department of Agriculture, the National Emergency Council, the National Resources Committee, and the Prison Industries Reorganization Board, are hereby extended until June 30, 1939, to carry out the purposes of this title.

SEC. 5. No Federal construction project, except flood-control and water-conservation projects authorized under other law, shall be undertaken or prosecuted under the appropriations in this title unless and until there shall have been allocated and irrevocably set aside Federal funds sufficient for its completion; and no non-Federal project shall be undertaken or prosecuted under such appropriations unless and until the sponsor has made a written agreement to finance such part of the entire cost thereof as is not to be supplied from Federal funds.

SEC. 6. Federal agencies having supervision of projects prosecuted under the appropriations in this title are authorized to receive from sponsors of non-Federal projects contributions in services, materials, or money, such money to be deposited with the Treasurer of the United States. Such contributions shall be expended or utilized as agreed upon between the sponsor and the Federal agency.

SEC. 7. In carrying out the purposes of this title, the heads of the departments, establishments, and agencies to which funds are appropriated herein are authorized to prescribe such rules and regulations as may be necessary.

SEC. 8. The appropriations in this title for administrative expenses and such portion of other appropriations in this title as are available for administrative expenses shall not be obligated for such administrative expenses in excess of the amounts which the department, establishment, or agency, with the approval of the Director of the Bureau of the Budget, shall have certified to the Secretary of the Treasury as necessary for such purposes. The amounts so certified for administrative expenses shall be available for expenditure by such department, establishment, or agency concerned for personal services in the District of Columbia and elsewhere and for the objects set forth in subsection (a) of section 3 of the Emergency Relief Appropriation Act of 1935 and with the authority set forth in subsection (b) of such section of such act: *Provided*, That not to exceed 5 percent of the amount made available in section 1 of this title to the Works Progress Administration and to the Works Progress Administration for the National Youth Administration shall be used for administration.

SEC. 9. The rates of pay for persons engaged upon projects under the appropriations in this title shall be not less than the prevailing rates of pay for work of a similar nature in the same locality as determined by the Works Progress Administration.

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

The Clerk read as follows:

Amendment offered by Mr. MASSINGALE: Page 9, line 7, strike out the period, insert a colon, and add the following: "*Provided*, That the monthly rate of pay for persons employed on projects financed by funds or allotments from this appropriation shall not be less than $32, notwithstanding existing laws or regulations to the contrary."

Mr. MASSINGALE. Mr. Chairman, I have offered this amendment for the purpose of trying to adjust some of the inequities that obtain in the administration of the Works Progress Administration in regard to payments to W. P. A. workers. I can illustrate it in this way. In Oklahoma we are in what is called region 3. The minimum scale there is $19 a month. Just across the section line in Kansas, the minimum wage is $32. The $19 scale applies in I do not know how many counties in Oklahoma, and in nearly all of the Southern States. That is not fair. It takes just as much manual labor to dig a ditch in Oklahoma as it does in New York or Ohio, and a man has to eat just as much food, and it costs, in all probability, just as much money to buy it. Our people are asking no particular benefits. We do not want any favors, but it is not right. It is manifestly unjust and wrong to require a man living in Oklahoma, where the maximum wage is $23.10 a month, to work for as little as $19 a month, while a man in New York gets $55 and $65 a month and a man in Kansas and in a tier of counties in the Panhandle of Texas gets from $32 to $45 a month. We want to do away with those inequities, we want our people to pay the same scale there that they get in these adjoining States.

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

Mr. MASSINGALE. Yes.

Mr. TARVER. I am sorry I did not hear the reading of the gentleman's amendment, but as I understand it his amendment is not directed at the differentials but aims to fix a minimum floor.

Mr. MASSINGALE. Yes; it fixes a floor.

Mr. TARVER. And there will be nothing in the gentleman's amendment to prevent whatever differential the Works Progress Administration desires to adopt.

Mr. MASSINGALE. That is correct. I have read the amendment that the gentleman from Georgia proposes to offer, and I think it is fair and I am going to support it, but I think we ought to have a minimum wage fixed for this work, and I know of no reason why a man should be penalized who happens to live in Oklahoma or in Georgia. He ought to get just as much pay for the same kind of work that he gets in any other State.

Mr. MAY. In other words, the effect of the gentleman's amendment is to eliminate the differentials to the extent of fixing a minimum below which they cannot go.

Mr. MASSINGALE. Yes; to fix a minimum below which they cannot go and below which they ought not to go.

Mr. MAY. And they will not be permitted to if this amendment becomes a law.

Mr. MASSINGALE. That is correct. They will not be able to go below $32 a month.

Mr. TARVER. Mr. Chairman, I offer the following amendment as a substitute for the Massingale amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER as a substitue for the Massingale amendment: Page 9, line 7, strike out the period, insert a colon and the following: *"Provided,* That no differentials in such rates of pay exceeding 10 percent of the maximum rates shall be fixed as between different States or areas of the same general types in the several States."

Mr. MASSINGALE. Mr. Chairman, I make the point of order that this is really not a substitute for my amendment. My amendment deals with an entirely different matter from that which the gentleman from Georgia proposes. My amendment fixes a place below which Mr. Hopkins, by any administrative order, cannot go in fixing the wage scale. The gentleman from Georgia proposes in his amendment an entirely different proposition.

Mr. TARVER. Mr. Chairman, I have no objection to the Chair sustaining the point of order. I withdraw the amendment.

Mr. O'CONNELL of Montana. Mr. Chairman, I offer the following amendment which I send to the desk to the amendment offered by the gentleman from Oklahoma.

The Clerk read as follows:

Amendment offered by Mr. O'CONNELL of Montana to the amendment offered by Mr. MASSINGALE: Strike out of the amendment "$32," and insert in lieu thereof "$40."

Mr. O'CONNELL of Montana. Mr. Chairman, W. P. A. wages today are based on three regional scales, $40 in region No. 1, $30 in region No. 2, and $21 in region No. 3, which is the South. I have prepared statistics on the cost of living gathered from these various cities. The cost of living in New York is about 4 percent less than it is in Washington, yet New York is in region No. 1 and Washington is in region No. 2. The cost of living in New York is 6 percent higher than it is in Atlanta. The cost of living in Cincinnati is 6 percent higher than it is in Memphis. The cost of living in Boston is 5 percent higher than it is in New Orleans, and in Buffalo it is 5 percent higher than it is in New Orleans. All of the northern cities pay monthly W. P. A. wages 100 percent higher than the southern wage scale. I say that these arbitrary and discriminatory wage regions should be abolished and a minimum of $40 a month established nationally. It cannot be seriously contended that a person in the South can live on $21 a month, or that they can do this in any other place in the United States and support a family. For the past year both the President and the Members of this Congress have been demanding the enactment of wage and hour legislation. I say it is high time that the Government itself show that it, too, wants higher wages, that it, too, wants maximum hours; and I say that through the W. P. A. that ought to be done. I do not know how any of you southerners can go back to your people on W. P. A. and in any way maintain and stand for that kind of provision that pays them only $21 a month when people in the North are making $40 and $60 a month.

I know a great many Members of Congress oppose the wage-hour bill because there are no differentials in it, but I ask you sincerely to support this amendment for $40 as a minimum. If this amendment is adopted I intend to offer an amendment providing for a 30 cents an hour minimum as far as hours are concerned; and I appeal to you people in the North who are for a wage and hour bill, who are for wage and hour legislation, to support this amendment, to show your support of the wage-hour legislation on which we will have a fight. Show it today by supporting this amendment. I sincerely hope and trust that it will prevail.

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

Mr. O'CONNELL of Montana. I yield.

Mr. HILL. The gentleman gave the wages in the North as $44 a month.

Mr. O'CONNELL of Montana. No; I gave the cost of living showing that on the basis of the cost of living there was no reason whatsoever for the differentials which now exist, that the cost of living was so nearly equal in all the large cities of the country that there was no reason for such differentials.

Mr. HILL. Will the gentleman tell us what the mayor of Jersey City is paying? [Laughter.]

Mr. O'CONNELL of Montana. Mayor Hague—I sincerely hope that I will not be ruled out of order—Mayor Hague, whom I think is the most despicable man alive in the United States today, whose name is synonymous with everything that is rotten and low in American politics, whose name is synonymous with graft, and corruption, and scandal, who is violating the American Constitution and everything that is American; I say if he had his way they would be paying in New Jersey cities in a lot of New Jersey industries 15 and 17 cents an hour; and I say that this is another way to show your hatred and your detestation for Mayor Hague's violation of the American Constitution and my rights, voting for this amendment. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COFFEE of Washington. Mr. Chairman, I would like to disuss the question of minimum wages as paid by the United States Government. Pending in the Congress of the United States at the present time is a wage and hour bill, to which most of our southern Members have been bitterly opposed. They oppose the wage and hour bill on the ground it does not make a substantial differentiation between the southern sections of the United States and the northern sections. Those of us who are protagonists of the O'Connell amendment propose that the United States Government shall set the example by establishing a minimum wage of $40 a month for W. P. A. workers. I reiterate the utterances to which the gentleman from Montana has just given expression. That is, I question the political wisdom of any southern Member of the House of Representatives going back into his district displaying a record of having opposed an amendment which provides for raising the minimum for the W. P. A. residents of his own congressional district. God knows the United States Government should set the example in providing minimum wages. God knows no gentleman can get up on the floor of this House and attempt for one minute to justify logically advocating a wage of $19 per month. The cost of living differential between North and South in the cities of the land averages about 10 percent, yet we are paying as low as $19 per month in the States of Oklahoma and in many of our Southern and Southwestern States, whereas in the North we are paying $55 a month in many of the industrial sections. There is no such differential in the cost of living. There is no such differential that can be set up through any form of argument that may be made.

Mr. BRADLEY. Will the gentleman yield?

Mr. COFFEE of Washington. I yield to the gentleman from Pennsylvania.

Mr. BRADLEY. May I say that in some cities it is $60.50.

Mr. COFFEE of Washington. I have been so advised.

Mr. VINCENT of Kentucky. Will the gentleman yield?

Mr. COFFEE of Washington. I yield to the gentleman from Kentucky.

Mr. VINCENT of Kentucky. The statement has been made on the floor of the House that the State of Pennsylvania will get more under this bill than eight Southern States. That is a terrible condition if true. Does the gentleman understand that statement is correct?

Mr. COFFEE of Washington. I do not know anything about that.

Mr. BRADLEY. Will the gentleman yield further?

Mr. COFFEE of Washington. I yield to the gentleman from Pennsylvania.

Mr. BRADLEY. With reference to Pennsylvania, may I say that although I come from a city which, due to the actions of a Republican council, has not for the last 3 or 4 years utilized the Federal money, although we have eligible for employment about 40,000 people who are denied aid through the political work of the Republican council; yet I as a Philadelphian, despite the fact we cannot get this money for our own unemployed, am willing to vote to give it to other needy people of the country.

Mr. HENDRICKS. Will the gentleman yield?

Mr. COFFEE of Washington. I yield to the gentleman from Florida.

Mr. HENDRICKS. My friend from Washington is insisting on the southern Members voting for this amendment to do away with a differential. Will the gentleman point out to the Members of the Northern States who are insisting on no differential in the wage and hour bill and tell them if they do not vote for this amendment for no differential they should not vote for one in the wage and hour bill?

Mr. COFFEE of Washington. I will take that under advisement.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I hope the committee will not thoughtlessly undertake to settle the wage and hour problem in this relief bill. I know you will not do it if you think the matter over carefully. I cannot understand how some of my colleagues here can object to voting for a wage and hour bill because it does not contain differentials and now undertake to write a provision into this bill eliminating differentials. I cannot understand how Members all over the House are refusing to put a differential in the wage and hour bill when in a few minutes they will insist on having a differential in this bill.

The answer to that whole matter is that this is not the place to settle the wage and hour problem. May I call to your attention that some of you gentleman have claimed this program did not furnish enough jobs? You have passed that part of the bill dealing with the money. You have frozen that provision. If you increase the compensation of any man in this bill you thereby take somebody off the relief roll because we have passed that part of the bill which provides the money.

Mr. McCLELLAN. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Arkansas.

Mr. McCLELLAN. If you place them uniformly throughout the Nation you will not take anybody off the roll. If this is made uniform throughout the Nation, nobody will be taken off the roll.

Mr. WOODRUM. Mr. Chairman, the effect of this amendment is not to make it uniform. It is to put a bottom under it and raise the wage to $40 a month or to $32 a month. Now, every time you write a provision into this bill raising the wage or the compensation of anybody you are making fewer jobs for the unemployed. This is not the time nor the place to do that.

I do not know whether there are inequities. Perhaps there are. Perhaps in some places the wage is too small. But there are jobs to be made available and of this $1,250,000,000 you are going to be allotted a certain amount of money for jobs for your unemployed. If you provide a minimum of $40 a month you will have fewer jobs. You may raise the wages of some fellows from $10 to $40 a month, some of your farm hands, for instance, but you will have fewer jobs to go around for the unemployed if you do that.

I hope very much the Committee in this bill which seeks to meet an emergency will not undertake to disturb the equilibrium and the system under which relief has been administered. We of the majority feel a good job has been done, as good a job as anyone could do under the circumstances. I hope very much all amendments which undertake in this part of the bill to interfere with the rates of pay will not be voted into the bill.

[Here the gavel fell.]

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

The question was taken; and on a division (demanded by Mr. O'CONNELL of Montana) there were—ayes 19, noes 91.

So the amendment to the amendment was rejected.

Mr. PATMAN. Mr. Chairman, may we have the Massingale amendment again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from Oklahoma.

There was no objection.

The Clerk again read the Massingale amendment.

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

The question was taken; and on a division (demanded by Mr. WOODRUM) there were—ayes 49, noes 74.

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

Tellers were refused.

So the amendment was rejected.

Mr. TARVER. Mr. Chairman, I offer the amendment I submitted a while ago.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 9, line 7, strike out the period, insert a colon, and add the following: "*Provided*, That no differentials in such rates of pay exceeding 10 percent of the maximum rates shall be fixed as between different States or areas of the same general types in the several States."

Mr. TARVER. Mr. Chairman, on yesterday I sought to give to the House reasons which I thought justified the adoption of this amendment. As you have noticed, it does not provide for a minimum wage. It does provide there shall not be discrimination to the extent of more than 10 percent between workers of the same type performing the same character of work in substantially similar areas in the different portions of the country. One of the gentlemen who has addressed you today has already pointed out that as between unskilled labor in one division in region No. 1 and similar labor in the same division in region No. 3 there is a difference of the amount between $40 and $21. This, however, is applicable only to one division. I ask you, if you will, to turn to page 6678 of yesterday's RECORD and inform yourselves as to the full amount of the discriminations that are provided for in the existing W. P. A. wage rates. I was advised by the Works Progress Administration this morning that in region No. 3, which includes the South, the hourly rate of pay for unskilled workers in subdivision (e) is 16 cents, whereas in region No. 1 the hourly rate of pay for the same type of workers in similar areas is 38 cents. There is, therefore, not only the discrimination as between $40 per month paid in region No. 1 for this class of workers and $21 per month paid in region No. 3, but there is the additional fact that in region No. 3, if you will figure it out, it requires 131¼ hours for a W. P. A. worker to earn his small wage of $21 per month, whereas in region No. 1 the same kind of worker can earn his wage of $40 per month in 105 hours. The region 3 worker not only gets less money by about 100 percent of his wages but he has an hourly wage rate which is much more out of proportion than the total amounts received by the two classes

of workers and he works a good many more hours a month to earn his smaller stipend than the man does in region No. 1 who performs the same type of work.

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

Mr. TARVER. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Did I correctly understand the gentleman to state the wage rate was 16 cents an hour in the gentleman's area and 38 cents in the other?

Mr. TARVER. Thirty-eight cents in the other area for exactly the same type of work by the same type of worker.

Mr. BOILEAU. Does not the law now require that the prevailing hourly wage be paid?

Mr. TARVER. The law so requires.

Mr. BOILEAU. Is not that indicative of the fact, then, that the prevailing wage is more than twice as high up in the other area as it is in the gentleman's area?

Mr. TARVER. I do not believe it is. That would be to assume the law is being carried out in the spirit in which it was enacted by the Congress.

The question which is involved here is whether or not for the same character of work, resulting in the same benefit to the public, performed by a W. P. A. worker who happens to reside in one section of the country, you are willing to provide substantially the same wage that may be paid to another W. P. A. worker in another section of the country. My amendment does permit a small differential, which I think might be justified by the difference in cost of living. As has been indicated by one of the gentlemen who has addressed you, there is a difference of perhaps 10 percent as between certain areas in this country in respect to the cost of living. I am not opposed to taking that into consideration in the fixing of W. P. A. wages, as my amendment would do that, but if you permit the present practices to be carried on, then differentials are allowed and enforced ranging to 200 or 300 percent. I say that is manifestly unfair and unjust.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. BOILEAU. I object, Mr. Chairman.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

Mr. WEST. I object, Mr. Chairman.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

Mr. ROBSION of Kentucky. Reserving the right to object, Mr. Chairman——

Mr. WOODRUM. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. McREYNOLDS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McREYNOLDS. The gentleman has moved that all debate on this amendment and all amendments thereto close in 20 minutes. Does the gentleman mean on this amendment or the section?

The CHAIRMAN. The gentleman stated on the pending amendment.

Mr. COLMER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLMER. Mr. Chairman, does the motion apply to amendments to the amendment or substitute amendments?

The CHAIRMAN. It would apply to amendments to the pending amendment.

The gentleman from Virginia moves that all debate on this amendment and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. BOILEAU. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. BOILEAU moves that the Committee do now rise and report the resolution back to the House with the recommendation that the enacting clause be stricken out.

Mr. BOILEAU. Mr. Chairman, I regret the necessity of using this means of getting the floor, but I want to reply to the remarks of the gentleman from Georgia [Mr. TARVER].

I have a very high and wholesome regard for the gentleman from Georgia, but the gentleman has talked about the differential between wages paid in the South and in the North on W. P. A. I want to call the attention of the membership of the House to the fact that as I understand the law it provides that the prevailing hourly rate of wages shall be paid, and the reason you are only getting 16 cents an hour in the South is because you have not any higher wage levels in the South. [Applause.]

Let me say to the gentleman from Georgia and also to other gentlemen who are interested in the matter that if you want more than 16 cents an hour for your W. P. A. workers all you have got to do is to join with us on May 23 and pass the bill that fixes a minimum hourly wage of 25 cents, which will mean that that shall be the prevailing rate of wages and you gentlemen will get your 25 cents an hour as the prevailing hourly rate of wages.

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

Mr. BOILEAU. I yield to the gentleman from Georgia.

Mr. TARVER. I am sorry the gentleman did not hear what I said yesterday or read it in the RECORD today. I indicated my position with regard to wage and hour legislation. The gentleman is mistaken in thinking that the wage and hour bill would apply to W. P. A., because that bill has nothing to do with it.

Mr. BOILEAU. Yes, it has; because it provides that the prevailing hourly rate shall be paid, and if you fix 25 cents as the minimum in your community, that is the prevailing hourly rate.

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

Mr. BOILEAU. I yield.

Mr. KITCHENS. Will the gentleman take the position that the poor devil who cannot get a job in my section of the country should be discriminated against in comparison with a man in your section or in the northern section who cannot get a job because of the action of somebody who has nothing whatever to do with his condition?

Mr. BOILEAU. I just wanted to bring out this point, and I want also to say that last year I offered an amendment upon this floor that would have provided for a minimum of $40 a month to the fellows in the South. I offered an amendment to increase the W. P. A. appropriation from one billion and a half to three billion dollars. The only way you can get this higher rate is to raise the amount of money, and I submit that the gentleman from Georgia was one of the gentlemen who took the floor and started his remarks by saying, "Mr. Chairman, I ask recognition in opposition to the amendment offered by the gentleman from Wisconsin."

The way to get your high wages is to appropriate the money to pay them, and this amendment offered by the gentleman from Georgia does not increase the appropriation. So, what you are proposing to do is not going to increase the level of wages.

Those of us who want to provide decent standards for our people do not want to be dragged down to a level of $20 a month. We want you to increase the standard.

I submit that last year when gentlemen from the South opposed my amendment and then supported an amendment to cut the committee's recommendation from one billion and a half dollars to one billion dollars, they were either wrong then or they are wrong today. I submit they were wrong both times. What they should do is to increase the appropriation in this bill so that we can get a $40 minimum. We offered that to you just a moment ago, and many northern Members supported it. I know that all the so-called liberals in the House supported that $40 minimum. Do not try to bring the red herring of the wage and hour bill across the path here, because if you are sincere in wanting to get higher wages, you will support the wage and hour bill and you will get at least 25 cents an hour for your W. P. A. labor.

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

Mr. BOILEAU. I yield.

Mr. DIES. The gentleman is entirely mistaken. In one county in my district, Jefferson, the minimum-wage rate is far in excess of $40. It runs from $60 to $70, and yet the W. P. A. wage scale is about $32 a month.

Mr. BOILEAU. The hourly rate is what you go on. That is what governs in the situation, and if your people are not getting the prevailing hourly wage rate there is something wrong with your administration.

I for one am not going to assume that responsibility. That is a democratic proposition that the Democrats must work out. We want the prevailing rate of wages to be paid. Bring up something and you will get our support.

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

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin. Of course, I am opposed to striking out the enacting clause of the resolution, but I take this opportunity as the gentleman from Wisconsin did to say a few words in opposition to the amendment of the gentleman from Georgia [Mr. TARVER]. What does the gentleman from Georgia want to do? If his amendment prevails, you will be paying people in his community a salary higher than they ever received, and who would never want to go back to employment in private industry. If employed in private industry now they would resign so they could get on P. W. A. Nobody down in his country, engaged in private business, would pay 10 percent of the prevailing rate of wage that is paid in my city of St. Louis or in New York or in any other big city of the Union. They never have and they never will, unless the Congress requires those engaged in interstate commerce to pay it, by passing a wage and hour bill. Now the truth of the matter is if you had never heard of a wage and hour bill you never would have heard of this amendment. You have listened to the gentleman from Georgia, listen to others and their argument will confirm this statement.

Mr. O'CONNELL of Montana. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Just a moment. This is a relief bill. It is a necessity or we would not be passing it. There is not a man or woman in this House who would not be very happy if conditions in the country did not require the passage of this legislation, but the conditions exist, we are forced to meet the situation, and if we do not pass the legislation there will be riots in every community of the country. Each and every Member here knows that, because the people of this country who have wives and children are going to eat. The only way they are going to eat is to work, and when they cannot get work in private industry the Government of the United States must come to their rescue, and will no matter what political party is in control. I want the rate of wages increased in the South, but this is not the way to increase them. Gentlemen of the South know that just as well as I do.

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

Mr. COCHRAN. In just a moment. If the Members from the South want to get the amount of money paid to the people of your community that is being paid in other parts of the country, raise the prevailing rate of wage in your community in private industry, and then the W. P. A. will be required to pay that.

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

Mr. COCHRAN. Yes.

Mr. MAY. The gentleman, of course, is not in favor of men working for 16 cents an hour, either north or south.

Mr. COCHRAN. Absolutely not; and I want the people in the South to pay their people a decent rate of wage, but this is not the way to accomplish that. This is but a gesture. Those opposed to the wage and hour bill who want differentials in that bill are the ones who will vote for this amendment. If they desired to raise the wages of the laboring men and women in the South they would not want differentials. The wage and hour bill, if enacted into law, would raise the salaries, and when that wage level is increased, then automatically, under this bill, W. P. A. wages increase.

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

Mr. COCHRAN. Yes.

Mr. DIES. Does the gentleman think that the Government should pay to labor less than it asks industry to pay?

Mr. COCHRAN. I say to the gentleman from Texas that if he will join with us and pass a wage and hour bill, then they will have a decent rate of wage in the South in industry, and when that occurs, as I just stated, under this bill, Harry Hopkins or whoever is head of W. P. A. will be compelled to increase the wage of the W. P. A. worker.

Mr. DIES. But the gentleman now has a good opportunity to demonstrate whether he is sincere, when he says there ought to be a uniform wage.

Mr. COCHRAN. Oh, I have the opportunity to be sincere, but this is not the way to do it. The gentleman knows that just as well as I do. This is not the way to raise the rate of wage of people working in industry in the South.

Mr. DIES. Would the gentleman ask them to pay more than the Government?

Mr. COCHRAN. Why, certainly not. You need no such legislation as this amendment proposes in order to have the Government pay just as much as industry pays in the South. Read the section. Here is what it says:

> The rates of pay for persons engaged upon projects under the appropriations in this title shall be not less than the prevailing rates of pay for work of a similar nature in the same locality as determined by the Works Progress Administration.

That is plain language, based upon the pay for work of a similar nature in the same locality. Therefore, if we in the large cities pay a certain rate, W. P. A. must pay the same rate. That is going to be the law—not rule or regulation. Therefore, if you will raise the rate of pay of the people you represent, no matter how high you go, W. P. A. must meet that rate when it employs men and women to do similar work. There can be no question about that.

The amendment of the gentleman from Georgia might go even further than he intends. If the amendment is adopted, it might be so construed by those administering the act that they might be required or would have the right to reduce the pay in certain localities. We do not want that. The good Lord knows our people are barely able to exist on what they are getting now from W. P. A.

I am for a higher standard of living in the South for the working man and woman and his family. I am for better wages for the working people of the South, but I insist, Mr. Chairman, that this is not the way to reach that objective. If the people from the South are sincere and want the W. P. A. worker in their locality to get the same wage we pay W. P. A. workers in the North, just raise your wages in industry to our level, and you get the increase.

You know and I know what will happen if W. P. A. wages are raised above that paid the worker in industry in the South. Everyone will want to work for W. P. A. This amendment should and will be defeated.

The CHAIRMAN. The time of the gentleman from Missouri has expired. All time has expired.

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection?

Mr. TABER. I object.

The CHAIRMAN. The question is on the motion of the gentleman from Wisconsin that the Committee do now rise and report the joint resolution back to the House with the recommendation that the enacting clause be stricken out.

The question was taken; and the motion was rejected.

Mr. McCLELLAN. Mr. Chairman, for sometime I have been planning when this bill came up to offer an amendment to provide for uniform wages for Federal workers on W. P. A. But when I learned that the gentleman from Georgia [Mr. TARVER], who is a member of the committee, was going to offer this amendment, I decided to support it rather than to seek to have my own adopted.

In February of this year I asked Colonel Harrington, Assistant Administrator, for a schedule of wages paid to W. P. A. workers in the several States. I was furnished a chart showing the three regions in the Nation, with their different rates of pay. The injustice of these rates as shown in the table at page 316 of the hearings is obvious. It shows, Mr. Chairman, that in my State, Arkansas, the average monthly wages paid to W. P. A. workers for unskilled labor is $26.40. There are only four other States that are paid less, all of them being Southern States—North Carolina, $23.90, which is the lowest paid in any State; Kentucky, $25.60; Mississippi, $24.33; and South Carolina, $26.22. Now compare these wages with those paid for the same work from the same Treasury by the same Government in these States:

Illinois	$54.20
California	59.83
Connecticut	64.33
Pennsylvania	59.97
Ohio	55.45
New York	60.90
New York City	72.23

This presents an ugly picture, one that cannot be justified. I have read with interest the testimony of the W. P. A. Administrator in the hearings last year where, on page 81, there appears:

WAGE SCALES

Mr. HOPKINS. Partly, no doubt. Of course, I think our wage scale is not based much on the cost of living as it is on the standard of living.

For instance, our figures show that it costs as much for a worker to live in Washington as it does in New York, and certainly the difference between the wages we pay in New York City and Charleston, S. C., does not represent a difference in the actual needs of the workers. The difference is rather in the standard of living.

Senator RUSSELL. That is a very good statement. Undoubtedly the difference in the standard of living has been very largely accepted in fixing these wage scales.

Mr. HOPKINS. There is no question about it.

Based on standard of living and not on need, standard of living and not on justice or equity, not on cost of living, not on need or equality, but on an arbitrary and questionable basis of standard of living.

The W. P. A. workers in the South do not merit this harsh and unreasonable discrimination. Their standard of living is not as bad as these different wages indicate. The standard of living of southern workers compares favorably with those who live in the tenements of the large cities.

The workers of the South perform the same service as those in these favored States, and yet they are compelled to suffer this great injustice. Our citizens of the South on W. P. A. shed just as much perspiration, they sweat and give just as much of their strength, and are just as loyal to our flag and just as deserving as the relief workers of these other States who are paid from two to three times as much.

These low wages are not based on prevailing wages, as the gentleman from Wisconsin [Mr. BOILEAU] states, but on so-called standards of living that are arbitrarily assumed or fixed by some authority in the W. P. A. I know the prevailing wages in my State are much higher, except possibly in the cotton fields where we are trying to produce cotton at 8 cents per pound and cannot possibly pay higher wages so long as the price of farm products remains below the cost of production.

Some of you profess to want to do something for the South. Now you have a chance. Vote for this amendment if you are sincere in your professed desire to raise wages of southern laborers. Let the Federal Government set the example. Let it show good faith and not promulgate rules and impose on one section while showing preferential consideration to many other States.

The gentleman from Virginia [Mr. WOODRUM] says this is a relief bill. The man in the South on relief, who has a wife and five children, has seven mouths to feed. It takes just as much food for them to live as it does for the workers in these other States. It costs them practically as much to live. The Government requires the same amount of work from them as it does from the northern workers and pays them less than half. If that is justice, it is a peculiar brand. The Government makes no such differences in other employees. It should be fair to all on relief and not penalize those from the South. The pending amendment should be adopted. [Applause.]

The CHAIRMAN. The gentleman from Florida [Mr. GREEN] is recognized for 2½ minutes.

Mr. GREEN. Mr. Chairman, I am very much in favor of the amendment as offered. I would prefer to have it uniform, instead of 10 percent differential, but the wage-hour bill proposes a graduated schedule of wages and hours over a short period of time, so it would be fair in W. P. A. to do it that way.

A man can be just as hungry in Georgia or Florida as he can in Chicago or New York City. He can do just as efficient labor in the State of Washington as he can in the State of Massachusetts. It is obvious that the House is going to pass the wage-hour bill; I think it is generally conceded that a wage-hour bill will pass. If this W. P. A. bill goes through the House without putting in a uniform wage scale where can it be done? It will be beyond us. If you intend to have uniform W. P. A. wages and hours this is the time and place to do it; and you gentlemen who are so desirous of wage and hour legislation—and I concede there is merit to it although I know that a number of industries down our way will be dried up, but that is conceded—you men should support this amendment. Those men who will have to go from industry to relief roll in the South ought to be paid just the same as all others are paid under like circumstances.

I think it is only right and fair that a man's hunger and his need should be taken care of the same way in all sections of the country. If we are going to unify everything in the United States and centralize everything in Washington, why not have a uniform wage on W. P. A.? It is right, it is fair, it is a thing that all of us can agree on. All who want uniform wages, uniform hours, and a unified country can agree on this. In all fairness the amendment should be adopted. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAVERICK] for 2½ minutes.

Mr. MAVERICK. Mr. Chairman, I am shocked that any Member of this House of Representatives that is for the wage and hour bill could be against the proposition that is put up to us today. [Applause.] You talk about making the South, forcing the South to pay minimum wages, and yet you say a southerner should get a half or a third on W. P. A. as other parts of the country.

I want to tell you that I am one southerner that gets pretty sick at some of the treatment given the South, especially as I happen to be one who often goes along with these Yankees [laughter] and suchlike. I get pretty sick when I see Louisiana and Mississippi and Texas treated as though they were not parts of the United States. You who yowl about justice, why, be consistent.

THE LOWER STANDARDS OF THE SOUTH—RAISE THEM!

What did Harry Hopkins say? Mr. Hopkins said that the reason they did not pay more in Texas and Louisiana was because there was a lower standard there, not because it cost less to live. It costs possibly 5 or 10 percent less.

If you intend to legislate on the basis that the United States of America is one country, when are you going to start to do it?

Why, you northern and western Democrats came in here and asked us to vote for the antilynching bill, and I did. You came in here and asked us to vote for a wage-hour bill, and I did. Well, then, you ought to be fair to the southern part of the United States. [Applause.]

My friends, this is a nation—and we are supposed to legislate for a nation. You denounce sectionalism in the South. So do not be sectional yourselves.

I get cussed by both sides. I know it.

BE FAIR TO THE SOUTH AS THE WHOLE NATION

Sure, I know how it is, but I will tell you that if you vote this down you are doing something that is unfair; you are doing something against the Democratic Party and against the United States of America.

My people get low wages. I have pressure exerted from people down there to vote against the Minimum Wage Act. Why am I voting for it? Because I want my people to get the same wages as they get in Massachusetts, New York, and the rest of the States.

Listen! You people from Pennsylvania, from New Jersey, and all the rest of those States have talked so piously about high wages, minimum wages.

Why do not you come clean on this thing? You come clean on the W. P. A. and those from the South will come clean with you. May I say the only square thing to do is to come across. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. O'MALLEY] for 2½ minutes.

Mr. O'MALLEY. Mr. Chairman, for the first time I realize that like in India we have a class of untouchables in this country, the industrialists of one section who will not pay decent wages. The thing that surprises me is that those untouchables have never been attacked by these defenders of the poor relief worker who have spoken here today in favor of this purely demagogic amendment.

These were never wages to begin with. There is no question about these being wages. They are just a dole under the disguise of wages. All we can do, if we hope to settle the relief question, is to pay enough through this disguised dole in all sections of the country to make it possible for these people on relief to get enough to eat. We know it costs more in the North to live. You have to buy coal, you have to have a house that is warm, whereas in the South they do not have those expenses.

The thing that amazes me today more than anything else is the flood of oratory about equal rights and equal wages when the money comes from the Treasury, and the astonishing lack of oratory about those same rights when the money would come from the industrialists in those sections where starvation wages are being paid. I see no reason why the Treasury of the United States when it is called upon to provide relief should have to pay more in any section than is necessary to sustain these people upon relief until employment in private industry is available, because if we do that we are putting Uncle Sam in the position of competing with private industry. The men behind this amendment are advocating that the United States Treasury, through the relief rolls, be put in competition with the very industries they have been trying to protect by their opposition to the wage and hour bill. Hardly a consistent position. The greatest inconsistency of all, however, is to say in effect, as the advocates of this amendment say by implication to their people, "We are opposed to a wage-hour limit for industry, but we demand one for relief. We do not care how little you get paid, how long you work, or what your employer does to you when you work in private industry in the South, but if you lose or quit your job and get on relief we will fight and die for you as we are doing today because the money comes from the Treasury and not from the pockets of our precious untouchables, the private employers of the South."

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. O'CONNELL] for 2½ minutes.

Mr. O'CONNELL of Montana. Mr. Chairman, I was completely surprised and taken off my feet when the gentleman from Texas [Mr. MAVERICK] argued in behalf of this amendment. If he studies the amendment—and I do not think he has—it can only have one effect, and that effect is to drive wages in the North down to the feudal level that exists in the South. That is the only effect it can have.

You talk about your workers and that they can do as much as those in the West or in the North. You talk about their being entitled to as much—and I think that is a true statement—but I think they are entitled to the wages that are paid in the North and in the West. I do not think you should by this amendment endeavor to destroy the wage scales that have been built up in the North by trying to drive the W. P. A. scales in the North down to the low, rotten level that you have in the South. That is the result if this amendment is agreed to. You only have so much money. You have no minimum of any kind, and in order to drive it down and have only a 10-percent differential you have to cut the wages in the North.

Mr. Chairman, I say it is a shame for the Members to get up and plead for their workers down in the South, whereas they are not pleading for them at all. You are actually trying to drive the workers in Pennsylvania, Massachusetts, New York, and the North down to the slavery that exists among the workers in the South. You ought to be ashamed to be here maintaining such an argument.

[Here the gavel fell.]

Mr. COLMER. Mr. Chairman, I offer an amendment as a substitute, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COLMER as a substitute for the amendment offered by Mr. TARVER: Page 9, line 7, strike out the period, insert a colon and the following: "*Provided*, That no differentials in such rates of pay shall be fixed as between different States or areas in the several States."

Mr. COLMER. Mr. Chairman, it is not often that I transgress on the time of this House, but we have heard a great deal here today about the South and about the standards of living there until one would almost believe, if he were not familiar with that great section of the country that has contributed so much to the upbuilding of the country, that it was a foreign state instead of a part of the United States of America.

We of the South are proud of the South and of its heritage, what we stand for and what we fought for, and what we are. You only have to cross the Potomac River to step into that great State of Virginia that has done more for this country than any other 10 States north of this line. [Applause.] I am not here to raise any sectional issue. [Laughter and applause.] I am merely here to answer the sectional issue that has been raised, and attempt to place the southern W. P. A. worker on the same basis of pay with the W. P. A. worker in other sections of the country. If you will let us handle our situation in the South we shall be glad to handle it, but you want to say that some Federal officer shall come in and handle our private affairs down there. If you are going to treat us as part of the Union in one matter, treat us as part of the Union in another. [Applause.]

Briefly, the subject and the object of this amendment is not what the gentleman from Georgia has offered, a 10 percent differential, but it is to cut out differentials entirely.

Mr. TARVER. If the gentleman will yield to me for a moment, I should like to point out that my amendment does not require a 10-percent differential, it simply permits that much leeway in administration.

Mr. COLMER. I understand. My amendment would not permit any differential but would put the W. P. A. worker in Georgia or Mississippi upon the same basis and with the same rate of pay as the worker in New York or Connecticut or somewhere else.

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

Mr. COLMER. I am sorry, I cannot yield.

In the next 30 days you are going to pass in this House, largely by the very votes of the gentlemen who are attacking that section of our country today, a so-called wage and hour bill. I do not yield to any man in wanting to see the wage level raised in my own section of the country, and so help me, I never was more sincere in a thing in my life than this. If I can bring myself to the conclusion that thereby we will help the wage earner in the South by the passage of the wage and hour bill, I shall be glad to vote for it.

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

Mr. COLMER. I am sorry, I cannot yield.

How can anybody defend the most inconsistent and most asinine proposition in the world, that of the Federal Government saying to the employers of labor in the South, "You cannot have any wage differentials, you must have a wage schedule fixed by law," and then coming along and under this bill paying a lower scale of wages?

We are told by the President of the United States and by those of you gentlemen who are most insistent upon the passage of a wage and hour bill that the object of the wage and hour bill is to raise the standard of living in the South by paying the laborer a better wage, and yet this same Democratic administration and you gentlemen who are advocating this wage and hour bill so vigorously in the same breath say that the W. P. A. wage earner in the North is entitled to $58 per month while the W. P. A. wage earner in the South must work for as little as $19 to $21 per month. But this is only part of the story. The skilled worker in the North gets as high as $94 per month while in the South the skilled worker only gets $61 per month. Again, as was pointed out by the gentleman from Georgia [Mr. TARVER] in the District of Columbia a carpenter on a W. P. A. project gets $73.50 for working 42 hours in the month at the established prevailing wage of $1.75 per hour, while the unskilled worker on a W. P. A. project in Georgia or Mississippi works an entire month for $21.

Now, to you, my colleagues from the so-called North, I submit this acid test of your sincerity. You maintain that the southern wage earner is underpaid in private industry. You take the position that there should be no differential in the wages paid in the South and those paid in the North. You say that the Federal Government should prohibit the payment of less than a minimum wage and that wages should be the same over the entire country. If you are right about this, then why in the name of consistency should not the Federal Government, which is the largest employer of labor in the country today, be required to pay the same wage scale in the South that it does in the other sections of the country? If you are genuinely and sincerely interested in the southern laboring man, and for your information there are more of them on Federal public works projects today than there are in private industry, here is your opportunity to demonstrate your sincerity. What is sauce for the goose should be sauce for the gander also. If those of you north of the Mason and Dixon's line are genuinely and sincerely interested in the wage earner of the South, here is your opportunity to prove it by other than lip service. If you vote against this amendment are you not subjecting yourself to the truth of the criticism that is made of you—that you are merely trying to stop your own industries from going South. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment to the amendment as a substitute.

The question was taken; and on a division (demanded by Mr. COLMER) there were—ayes 44, noes 79.

So the substitute amendment was rejected.

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

Mr. TARVER. Mr. Chairman, I ask that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again read the Tarver amendment.

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 57, noes 78.

So the amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. McREYNOLDS: On page 9, line 4, after the word "title", insert "for unskilled labor the wages shall be uniform and there shall be no differentials; and for intermediate skilled, professional, and technical employees."

Mr. McREYNOLDS. Mr. Chairman, quite a controversy has arisen between the distinguished gentleman from Wisconsin and Arkansas in reference to the prevailing rate. Both are right. The gentleman from Arkansas is right when he says the unskilled-labor wage rate is based upon the standard of living, while the other rate for skilled, intermediate, and scientific workers is based upon the prevailing rate.

This amendment does not undertake to change the rate as to skilled labor but only as to unskilled labor. We in the South are perfectly willing to let you come into our manufacturing plants where we have skilled labor and pay our skilled-labor prices. We have good rates. But if you are going to pass the wage and hour bill and keep for unskilled labor the same rate the manufacturers pay for unskilled labor everywhere, then why should not the Government fix the same rate to be paid for unskilled labor throughout the United States for W. P. A.? I have said it is wrong, as there is a difference in the cost of living; but you who signed that petition say the principle is right. If it is right, then you have a chance to say so in your vote on this amendment and let us see where you stand.

In some sections of my State $19.20 is paid to the W. P. A. worker who is not close to the city or whose county does not adjoin a city. In New York State, under the same conditions, where no cities are involved, the Labor Department has figured the difference in the standard of living, and the workers are paid $40 a month. If it is just under the wage and hour bill to pay the same rate, then is it not just to our poor people in the South under the same conditions that they should have the same W. P. A. payments? If you will excuse the old expression, I would say, "Whatever is sauce for the goose is sauce for the gander."

This amendment does not apply to skilled or technical labor but applies only to the same character of workers whom you cover in the wage and hour bill. That is the reason I am offering it. I want to see if you are fair. We insist we are entitled to a differential. We insist there is a difference in the cost of living. In that bill you say there is not. Therefore, I offer this amendment to let you express yourselves on whether or not you will be just to our people of the W. P. A. who have worked in these rural sections. [Applause.]

Mr. PACE. Mr. Chairman, the following States of this Union, Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia, are those States that for many, many years, through good weather and bad, have stood by the Democratic Party. The population of these 11 States is approximately 29,000,000 people. I understand that for the first time in about 40 years the great State of Pennsylvania is now in the Democratic ranks and, of course, I hope it will stay there. The State of Pennsylvania has a population of 9,000,000 people.

If you will turn to page 16 of the hearings you will find that these 11 Southern States, which have stood by its party generation after generation, with a population of 29,000,000 people, last year received a total in W. P. A. funds of $210,000,000, and the one State of Pennsylvania received $214,000,000.

Mr. DIES. Is that actually in the record?

Mr. PACE. On pages 16 and 17 of the hearings, in the testimony of Administrator Harry Hopkins.

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

Mr. PACE. In just a moment.

Every man in the State of Pennsylvania that is without work and honestly cannot secure work can be taken care of, but I say to you that I, for one, can never believe that these 11 States with their 29,000,000 people and their great cities have been treated fairly in the distribution of W. P. A. funds. [Applause.]

Can there be any foundation to the charge, which we hear so often, that political considerations play a large part? Is

the old Democratic South being punished because we are regular, while the plum is given to the doubtful State? Does anyone believe that there is more want and need among the 9,000,000 in Pennsylvania than there is among the 29,000,000 in the 11 States of the Old South?

Here are the official figures.

State	Population, 1930 census	Works Progress Administration expenditures, fiscal year 1937
Alabama	2,646,248	$18,850,556.85
Arkansas	1,854,482	6,732,082.62
Florida	1,468,211	17,097,083.98
Georgia	2,908,506	20,607,593.85
Louisiana	2,101,593	22,118,440.62
Mississippi	2,009,821	15,516,880.88
North Carolina	3,170,276	14,620,166.46
South Carolina	1,738,765	13,761,813.28
Tennessee	2,616,556	18,845,424.43
Texas	5,824,715	39,464,816.91
Virginia	2,421,851	13,332,415.69
Total 11 States	28,761,024	210,750,000.00
Pennsylvania	9,631,350	214,565,000.00

The State of New York is also regarded as doubtful, politically, at times. It appears that New York City received $241,215,600.98 and the balance of New York State received $80,216,460.52, making a total for the entire State of $321,432,061.50.

This gave the two States, Pennsylvania and New York, a total for the fiscal year 1937 of $535,997,000. The total W. P. A. funds available was $1,899,069,166.44, and you will see that these two States alone received almost 30 percent of the funds for the entire Nation.

They are both great States, with great industrial centers. They have problems which deserve our sympathetic consideration, but I cannot believe that the needs in these 2 States, as compared with conditions in the South, are such as to justify expenditures for New York and Pennsylvania of nearly three times the amount expended in the 11 Southern States, or $535,000,000 for 2 and $210,000,000 for 11.

We should all give this further study and investigation.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

Mr. BATES. I object, Mr. Chairman.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

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

There was no objection.

Mr. MAVERICK. Mr. Chairman, either by accident or otherwise, we are really approaching today one of the most important questions that ever came on the floor of this House. It involves the history of the United States, it involves the economic rights of its citizens, and it involves the psychology and thought of every Member of this Chamber.

Here we have the gentleman from Tennessee [Mr. McREYNOLDS] who led in the defeat of the wage and hour bill last session, demanding we put through this particular amendment of his. We have the gentleman from Georgia [Mr. TARVER] who was opposed to wages and hours, asking for a 10-percent differential, and we have the gentleman from Montana [Mr. O'CONNELL] who is known for his liberality all over the world——

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

Mr. MAVERICK. In just a moment.

Mr. TARVER. The gentleman made a statement about me that is incorrect. The gentleman said I am opposed to wage and hour legislation. I have made no such announcement, and in my speech on yesterday I indicated I did favor the enactment of some legislation along that line.

LAUGHABLE, INCONSISTENT, AND FUNNY

Mr. MAVERICK. All right. I am glad the gentleman from Georgia has said he was not opposed to wage and hour legislation.

But to go on.

Then the gentleman from Montana [Mr. O'CONNELL], than whom there is no better liberal man in the world, he comes out and wants my people in the South to get lower wages.

Now, these gentlemen come to us and say we have got to keep slave wages in the South, but when you have a soldier down in Texas he gets the same as in New York. When you have a postal clerk he gets the same in the South, or when you have any Federal employee he gets the same pay in the South, and I want to tell you now that when the Federal Government establishes a standard it should be the same all over the United States. Then where do you get this stuff of giving a man less on the W. P. A. in the South than in the North?

Believe me, this is a laughable, inconsistent, a funny situation.

Mr. O'CONNELL of Montana. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. Not now.

Mr. O'CONNELL of Montana. The gentleman made a remark about me and I ought to have a chance.

LABOR AND OTHER STANDARDS FOR THE NATION

Mr. MAVERICK. Do not take this out of my time, Mr. Chairman.

We have this situation here. People who want a differential for the South in wages or those who want to keep low wages, want high W. P. A. wages. Then those from places where they have high labor standards want us down South to have a low W. P. A. standard.

Why, this is the most ridiculous situation that ever faced the country.

There is only one situation that we in the Congress of the United States should recognize. We represent a Nation, but ever since the cotton gin, people have been kicking the South in the face and they keep on kicking us in the face. But this is a chance for you fellows who are for the minimum wages or for high wages and for high standards to come clean with the South, because if you vote against this you give the Representatives in the South a chance to vote against minimum wages, and you are not acting sensibly in doing it.

I now yield to my friend from Montana.

Mr. O'CONNELL of Montana. The gentleman said I was for lower wages in the South. If he studies the amendment that he argued for, he will see that the only effect of that amendment would have been to drive the wages in the North down to the low wages you people are paying in the South.

Mr. MAVERICK. There is no argument in that. If you are entitled under the Federal Government to pay $30 for a soldier in the North, you are entitled to have that in Texas, and you get it in Texas. It is nonsense to say that the Federal Government should pay more to a person in the North than it does in the South.

Mr. O'CONNELL of Montana. Nobody from the North said that.

Mr. MAVERICK. You are for this differential.

Mr. O'CONNELL of Montana. Nobody from the North said anything of that kind.

Mr. MAVERICK. Well, of course, we have our differences—no two people can be exactly alike. I will say that the gentleman from Montana [Mr. O'CONNELL] has been a consistent supporter of the administration, and has stood manfully by Mr. Roosevelt. I might say also that the gentleman from Montana has fought consistently for civil liberties, and has a consistently good labor record.

INCONSISTENCY IS BIGNESS; WE HAVE ALL RISEN TO THE HEIGHTS

But let me sum up by saying this is indeed an inconsistent situation. They say all big men are inconsistent; only

little men are consistent. So I can say that today, nearly every man in Congress has today risen to the heights.

Get this: What we are doing is, in effect, if we do not adopt this or some other amendment equalizing W. P. A. rates over the Nation, is to say that a man's Federal common-labor rate in certain parts of the South is $19 per month, and $63 per month in other parts. That is no 10-percent differential. It means people in the North and West get three and a half times as much as a man in the South.

That is not remotely fair.

WHAT! PAY ONE CONGRESSMAN $2,700 AND ANOTHER $10,000?

If we observed the same rate for Congressmen—just another Federal activity—we would get about $2,700 a year, and you Yankees would get the $10,000. That surely would be unfair. A Government day laborer, a soldier, a sailor, a mail carrier, a mechanic, get equal work for equal pay in the service of our country.

And we are National Congressmen, representing a Nation. Our standards are not standards, unless there is equality. What we should do is to have certain minima, certain standards, for the whole Nation. Let all of us—North, South, East, and West—try to build up our Nation in that way. It is only fair. [Applause.]

Mr. Chairman, exercising the right to extend my remarks, I include herewith a statement of mine which appeared in the Washington Post of Monday, May 9, 1938, and which has further reference to the wage and hour bill and the attitude of the South.

The statement is as follows:

[From the Washington Post of May 9, 1938]

MAVERICK URGES SOUTH TO JOIN IN SOCIAL PROGRESS—RULES COMMITTEE MUST BE REVAMPED TO SERVE PARTY, SAYS MAVERICK

(By Representative MAURY MAVERICK)

It looks as though President Roosevelt's wage-hour bill will be enacted—and connected with it are political schisms and revolutions, and whether the South will master the Democratic Party or go down the line with the other Democrats of the country.

Last session the bill was defeated with solid opposition of nearly every Southern Representative, plus conservative Democrats and Republicans. This time the bill was petitioned out as if by magic, contributing factors being resentment of the high-handedness of the Rules Committee, resentment against the National Chamber of Commerce for its impudent demand for repeal of the National Labor Relations Act, Senator CLAUDE PEPPER'S renomination in Florida, and the fact that the rival labor leaders, John L. Lewis and William Green, were fighting together for the wage-hour bill, instead of against each other.

ATTACKS RULES GROUP

But that is not the story. The story is the Rules Committee, whose overwhelming majority is southern Democrat and Republican, and which fought stubbornly against the wage-hour bill. It is supposed to be the party committee to bring out party bills pledged by platform and agreed on by leaders. However, the committee prevented this pledged and oft-promised bill from going to the floor for a vote, and because this committee has become the high censor and ruler of the party resentment has increased, and the first chance the House had to repudiate them, it did.

The composition of the Democratic Party has always been a quilt patched with many colors. Far western Townsendites, middle western agricos, big-city (including Tammany) liberals and progressives from here and there, and the South.

And the South, from where I come, pays the lowest wages, has the worst housing, and the lowest standard of living in America. The people of the South know it, and every time they have had a chance they have demanded better—they did it in Alabama in the election of Senator LISTER HILL, and then in Florida with Senator PEPPER.

CITES TECHNICALITIES

All of which is strange when one considers it is the southern delegations which have killed any legislation like that. The last wage-hour bill was rather weak, and they defeated it; now comes a more drastic one, which will no doubt pass.

Two questions are now brought to a head. One is technical, and the other of national social importance. The one is the high-handed behavior of the Rules Committee. The public cannot understand these technicalities; all it wants to know is whether the Democrats deliver the goods or not.

And unless Democratic leadership and the party get a system, including rules, where its pledges are fulfilled, it will be repudiated, as it should be.

The other point is the South. The South is for the good old-time virtues, but is not averse to taking a few billions of gold from the Federal till for the T. V. A., for cotton subsidies, W. P. A., and others.

WARNS OF RECALCITRANCE

As a southern Congressman, I have not fought very bitterly appropriations for my district. But when a general bill is offered, the South is liable to pull Thomas Jefferson from the grave and swear it's coddling the people.

As a Congressman from the South—I speak alone for myself—I believe that if we pass out subsidies for cotton-plantation owners and ranchmen and rice growers and all the rest that labor should have some protection too. And the South is not entitled to any special favors.

Not alone on this wages bill but on other legislation hinges the question whether the South goes along with the rest of the Nation. If it does not, a combination of other factors may isolate it, and laws may be forced down its throat, and knowing Americans as I do, I know my Texas and every part of the Union can get a fair deal if we are fair ourselves.

As for me, I am for throwing in with the Yankees and the liberals, the agricultural boys of the West—and the big-city Democrats, too. That is the only way the Democratic Party can do a good job and serve America.

Mr. BATES. Mr. Chairman, this discussion this afternoon is quite interesting to me, appreciating as I do the tremendous relief burden that some of the States, the great industrial States of the country, are bearing today, especially the State of Massachusetts from which I come. For many years the industries in that State and in other States of the Union have been going down and down until today those States are faced with a very critical situation. As an illustration, in the communities of my State alone, we expended through local relief last year over $22,000,000 to feed the people who were unemployed, and who were not able to get on W. P. A. When I listen to the argument of some of the Members with respect to what is being done for them in the various States of the Union, particularly the gentleman from Georgia [Mr. PACE], who seems to complain about the way his State is being neglected by the administration of which he so proudly boasts, I am impelled to call the attention of Members of the House to what I believe to be a very discriminating situation, because, after all, those States which have been hard hit by the depressed condition of industry are having great difficulty in financing their relief problems.

As I said at the outset, in the State of Massachusetts we spent $22,000,000 last year just to feed people who could not get on W. P. A. In the State of Georgia, in 1937, only $34,000,000 was collected through all of the internal revenue collections, and that State got $15,000,000 in return on relief alone.

The State expended only $981,000 for relief outside of what it received from the Federal Government, which amount is equaled by some of our communities, our cities, alone to take care of the people. In other words, the administration at Washington favors the Democratic States of the South, it is very apparent from the tables I here submit, which I have received from the Works Progress Administration and Bureau of Internal Revenue, that many of these States are being especially favored with the Federal funds for relief work.

The table on internal-revenue collections shows the source from which these funds are collected, and it is perfectly clear from the same that the States about which the gentleman speaks are being shown extreme favoritism by the Democratic administration here in Washington. Certainly he has no just cause for complaint, and neither has any other Representative coming from those favored States, which obviously shows that they are not doing their full part in contributing toward the cost of relief for those in their communities who are unemployed.

The administration at Washington ought to see to it that all of the States of the Union which are receiving substantial grants of Federal money should cooperate and contribute in a substantial degree to this great unemployment situation.

The table I submit clearly shows they are not doing that today:

Comparison of total Federal relief (W. P. A.) and local direct relief expenditures and internal-revenue collections for calendar year 1937

States (48 and District of Columbia)	Federal funds used on W. P. A. projects [1]	State and local funds used for general and emergency relief programs of State and local relief agencies (direct relief) [1]	Ratio of State and local general relief expenditures to Federal W. P. A. expenditures (percent)	Internal-revenue collections (all sources) [2]
United States	$1,505,593,000	$469,080,000	31.2	$5,617,088,564.13
Alabama	13,979,000	212,000	1.5	14,792,564.43
Arizona	5,708,000	1,136,000	19.9	4,070,586.48
Arkansas	12,985,000	544,000	4.2	8,024,119.68
California	84,815,000	34,840,000	41.1	310,944,662.73
Colorado	16,038,000	2,362,000	14.7	29,117,660.97
Connecticut	15,953,000	5,772,000	36.2	92,693,582.09
Delaware	1,461,000	351,000	24.0	80,381,182.18
District of Columbia	7,331,000	1,154,000	15.7	
Florida	15,028,000	580,000	3.9	42,943,421.95
Georgia	15,987,000	981,000	6.1	34,122,548.04
Idaho	4,643,000	671,000	14.5	4,054,203.20
Illinois	107,560,000	49,012,000	45.6	511,032,173.88
Indiana	43,277,000	6,179,000	14.3	112,928,527.19
Iowa	14,937,000	7,742,000	51.8	23,179,629.19
Kansas	21,284,000	4,298,000	20.2	24,179,087.56
Kentucky	23,302,000	661,000	2.8	120,439,554.72
Louisiana	18,759,000	1,481,000	7.9	40,679,182.10
Maine	4,220,000	3,255,000	77.1	14,208,357.29
Maryland	8,679,000	2,200,000	25.3	141,727,872.98
Massachusetts	73,805,000	22,540,000	30.5	190,485,558.42
Michigan	44,576,000	17,214,000	38.6	340,850,865.79
Minnesota	34,810,000	13,733,000	39.5	67,660,371.57
Mississippi	12,099,000	46,000	.4	6,186,033.57
Missouri	43,373,000	6,270,000	14.5	133,107,995.63
Montana	9,094,000	895,000	9.8	6,270,217.39
Nebraska	14,397,000	1,447,000	10.1	20,414,083.87
Nevada	1,500,000	198,000	13.2	4,775,135.85
New Hampshire	4,812,000	2,381,000	49.5	9,624,131.24
New Jersey	64,046,000	17,126,000	26.7	218,574,991.36
New Mexico	6,205,000	328,000	5.3	2,558,230.66
New York	254,281,000	140,088,000	55.1	1,220,651,352.31
North Carolina	12,003,000	705,000	5.9	324,756,911.93
North Dakota	9,488,000	2,183,000	23.0	1,658,487.82
Ohio	91,495,000	20,391,000	22.3	328,300,864.94
Oklahoma	24,546,000	2,063,000	8.4	58,266,063.96
Oregon	11,515,000	2,350,000	20.4	14,973,546.31
Pennsylvania	172,223,000	63,154,000	36.7	473,630,189.00
Rhode Island	8,118,000	3,437,000	42.3	30,014,093.63
South Carolina	10,838,000	99,000	.9	11,086,434.05
South Dakota	11,060,000	1,071,000	9.7	2,073,554.28
Tennessee	13,301,000	1,067,000	8.0	30,642,440.05
Texas	33,202,000	1,313,000	4.0	127,113,183.77
Utah	6,466,000	1,441,000	22.3	7,149,589.99
Vermont	2,176,000	872,000	40.1	4,514,750.03
Virginia	10,986,000	1,050,000	9.6	193,908,169.75
Washington	21,815,000	7,471,000	34.2	37,308,596.16
West Virginia	21,942,000	2,859,000	13.0	23,394,080.63
Wisconsin	36,011,000	11,558,000	32.1	99,307,475.85
Wyoming	2,054,000	299,000	14.6	3,060,240.21
Undistributed	7,410,000			

[1] Source: Works Progress Administration.
[2] Source: Treasury Department, Bureau of Internal Revenue; includes pay roll and agricultural adjustment taxes; total for United States includes receipts from Territories.

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

Mr. WOODRUM. Mr. Chairman, now that we have recalled the grandeur of the North and the West and the East, and have adequately expounded the glories of the Old South, now that we have settled the momentous problem of the wage-hour bill, reaching conclusions satisfactory to our several selves, I hope we will remember that today we have a relief bill under consideration, a bill that has been laid out according to a well-defined program, a smoothly working program, which we feel adequately meets the situation, a bill that is builded upon a certain philosophy of relief, and I hope that we will remember that to interfere with it by undertaking to freeze into permanent law provisions such as are suggested in this amendment and in other similar amendments which have been defeated would certainly be unwise and would interfere with the program and prevent people from having work whom Congress wants to have work. If it succeeded in raising some particular man's relief, it might be the cause of throwing other men out of work and preventing them from getting jobs that we are trying to provide. I hope from now on that we will have a moratorium on the wage and hour matter until such time as we can take it up in this Chamber in regular order, and reach some conclusion, if there is a conclusion that can be reached. I certainly hope that this amendment will be rejected, and that no other such amendment will be adopted or grafted upon this relief bill.

The CHAIRMAN. The time of the gentleman from Virginia has expired. The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. McREYNOLDS].

The question was taken; and on a division (demanded by Mr. McREYNOLDS) there were—ayes 50, noes 105.

Mr. DIES. Mr. Chairman, I demand tellers.

The CHAIRMAN. As many as favor taking the vote by tellers will rise and stand until counted. [After counting.] Nineteen Members have risen, not a sufficient number, and tellers are refused.

So the amendment was rejected.

The Clerk read as follows:

SEC. 10. In the employment of persons on projects under the appropriations in this title, applicants in actual need whose names have not heretofore been placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls: *Provided*, That in order to insure the fulfillment of the purposes for which such appropriations are made and to avoid competition between the Works Progress Administration and other Federal or non-Federal agencies in the employment of labor on construction projects of any nature whatsoever, financed in whole or in part by the Federal Government, no relief worker shall be eligible for employment on any project of the Works Progress Administration who has refused to accept employment on any other Federal or non-Federal project at a wage rate comparable with or higher than the wage rate established for similar work on projects of the Works Progress Administration: *Provided further*, That any relief worker who has been engaged on any Federal or non-Federal project and whose service has been regularly terminated through no fault of his own shall not lose his eligibility for restoration to the relief rolls or for reemployment on any other Federal or non-Federal project on account of such previous employment: *Provided further*, That the fact that a person is entitled to or has received either adjusted-service bonds or a Treasury check in payment of an adjusted-compensation certificate shall not be considered in determining actual need of such employment.

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

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 10, line 10, after the period insert: "Farmers in need of work but who are not on relief rolls shall have the same eligibility for employment on projects in rural areas as persons on such rolls."

Mr. WOODRUM. Mr. Chairman, I make the point of order on that amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. WOODRUM. Mr. Chairman, the point of order is that the amendment makes eligible for work relief people who are not on relief. The bill is designed to afford work and work relief to needy persons, yet this amendment undertakes to make eligible a class of persons who do not come within that classification.

Mr. JONES. If the Chair is in doubt I would like to be heard on the point of order.

The CHAIRMAN. The Chair would be glad to hear the gentleman from Texas on the point of order.

Mr. JONES. Mr. Chairman, this paragraph by its very terms includes persons not on relief. It starts out with that proposition, for it says:

In the employment of persons on projects under the appropriations in this title applicants in actual need whose names have not heretofore been placed on relief rolls shall have the same eligibility—

And so forth. In other words, Mr. Chairman, while the primary purpose of this bill may be to take care of those on relief rolls, but by the very terms of this paragraph, and that is the only excuse for the language in it, it makes eligible for work, under the terms of this bill, other people than those on relief rolls. It reads: "Those in actual need." I say that farmers in need of work certainly present a form of need.

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

Mr. JONES. I yield.

Mr. WOODRUM. People might be in need of work who are absolutely not in need of public assistance. The purpose of this paragraph, if the Chair will read it, is to take care of persons in actual need, not of work but in actual need of public assistance. The gentleman's amendment reads, "in need of work." Many people may be in need of work who are not in actual need of public assistance.

Mr. JONES. May I ask the gentleman if need of work is not actual need? To say it is not is to be both hypercritical and supertechnical. The idea of a man saying that if a man is in actual need he is entitled to go on these rolls, yet if he is in actual need of work that that is not need—I cannot conceive the logic, or the sense, or the justice of any such interpretation as that.

Again I call the attention of the Chair to the fact that the last proviso of section 10 exempts from all questions of doubt those who have drawn adjusted-service certificates. That goes far beyond the limit to which I am going. In other words, if a man has drawn a service certificate of $1,000, he is entitled to the benefit of this provision, regardless of whether he qualifies under the term "actual need"; and by what process of reasoning can the gentleman from Virginia or the Chair reach the conclusion that need of work is not actual need? By what twisting of the English language can you reach a conclusion that is at all logical that one form of need is actual but another form of need is not actual?

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

Mr. JONES. Yes.

Mr. MAY. Last year we had 12,000,000 unemployed men. The purpose of this bill is to relieve them. They are unemployed because they have not got work. The farmer is unemployed because he has not got work, and he has got to work in order to eat.

Mr. JONES. If need of work is not actual need, what sort of need is it? And what right has the gentleman to construe what form of need is actual need?

The CHAIRMAN (Mr. McCORMACK). The Chair is prepared to rule.

The section under consideration relates to applicants in actual need. The gentleman from Texas, in answer to the point of order raised by the gentleman from Virginia, lays emphasis upon the proviso which is found on page 10, line 6, a part of section 10 relating to veterans, and I quote the language:

> The fact that a person is entitled to or has received either adjusted-service bonds or a Treasury check in payment of an adjusted-compensation certificate shall not be considered in determining actual need of such employment.

While this is an exception, it is not a qualification, in the opinion of the Chair, of the requirement of actual need. The fact remains that a veteran must still be in actual need before he or she is eligible to assignment to a W. P. A. project.

The language of the gentleman's amendment confines itself to need. The Chair is frank to state that this, in the Chair's mind, is a very close question.

It does not come within the purview of the Chair to interpret "need" or "actual need." Recognizing it as a very close question, however, the Chair feels that the amendment is not germane to the provisions of section 10 which requires that an applicant to be eligible for consideration and for assignment to a project must be in actual need.

Mr. JONES. Mr. Chairman, I will modify the amendment to insert the word "actual" before the word "need." Would that remedy the situation?

The CHAIRMAN. The Chair is not passing upon that at the present time. If the gentleman presents that amendment, the Chair will then determine the question.

For the reasons stated, the Chair sustains the point of order.

Mr. JONES. Mr. Chairman, I offer the amendment with the word "actual" before the word "need."

The Clerk read as follows:

> Amendment offered by Mr. JONES: Page 10, line 10, after the period, insert "Farmers in actual need of work but who are not on relief rolls shall have the same eligibility for employment on projects in rural areas as persons on such rolls."

Mr. WOODRUM. Mr. Chairman, as I caught the reading of the amendment, it is the same as the other one.

The CHAIRMAN. The Chair may say to the gentleman from Virginia that this amendment is different. The Chair is not indicating what may be his ruling if a point of order is raised. For the information of the gentleman from Virginia, the present amendment reads "farmers in actual need." The previous amendment, to which the Chair sustained the point of order, read "farmers in need."

Mr. JONES. Mr. Chairman, the purpose of this amendment is to permit farmers who are in actual need of work to work on projects in rural areas, regardless of whether they are technically on the relief rolls or not. Any of you who represent country districts have had the experience over and over again of farmers who have their teams mortgaged, their equipment and livestock mortgaged, in some instances for the full worth, and yet these farmers cannot technically qualify and they cannot technically meet the rules and regulations set out on projects in the rural areas.

Mr. WADSWORTH. Will the gentleman yield?

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

Mr. WADSWORTH. Will the gentleman from Texas indicate what the definition of "farmer" is?

Mr. JONES. That is a pretty well understood term.

Mr. WADSWORTH. Would it include, for instance, the son of the owner of the farm?

Mr. JONES. I take it that same question arises in any form of relief. I am not qualified to pass on the administrative features; but if it includes the son of a farmer, and he can qualify, I suppose he would be on the same basis as the son of a merchant, the son of a laborer, or anyone else. I take it that question arises regardless of this particular issue.

The fact that they cannot qualify technically, and in many instances administrative officials do not have the facilities to go out and collect these people, causes them to sink when they would be able to pull out if you would give them the opportunity to work on these projects. It does not take much money. It would not require many dollars perhaps to enable them to pull through. If you had gone through these country areas as I have, and if you had had farmers say to you that the little loan made them or the little provisions in the Triple A kept them off relief, and see the sparkle that came into their eyes when they made the statement, you would realize that that spirit is worth preserving in America.

Mr. WOODRUM. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Virginia.

Mr. WOODRUM. I call the gentleman's attention to the fact that under the language of the section, without the amendment, the farmer would be eligible anyway.

Mr. JONES. I do not think so. I have had many instances come to my attention of farmers, especially in the drought areas, who practically have nothing, yet they do have a team, they have some machinery, and in some instances farms. They are asked the question if they have property and they cannot qualify. Of course, they can by surrendering all of it and turning the machinery back to the company, deserting and going to the cities and towns, thereby complicating the problem existing there. Why in the name of good common sense should we not permit them to work?

Mr. LANHAM. Will the gentleman yield?

Mr. JONES. I yield to my colleague from Texas.

Mr. LANHAM. If inferentially they are included in this section, then there is no reason why it should not be made clear by the gentleman's amendment.

Mr. JONES. That is true, and I do not see why the gentleman from Virginia should object.

Mr. COX. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Georgia.

Mr. COX. The gentleman talked about the adaptability of the son of a farmer and the son of a merchant. I wonder if the provision would be extended to include the "son of a gun."

Mr. JONES. On that question I am willing to defer to anyone who has studied the subject. Of course, my friend is facetious.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. Is it not a fact that the regulations prevent any farmer, even though he is in distress, from becoming eligible for W. P. A. work?

Mr. JONES. I know in many instances that is true. I have heard the complaint from all sides. I do not believe there is a Member in this House from a country district who has not had this complaint come to him.

Mr. HAINES. Will the gentleman yield?

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

Mr. HAINES. According to the language of the gentleman's amendment, it would exclude farmers from working in cities and towns?

Mr. JONES. No; I do not think so. This is an enabling amendment. If a farmer is on relief he would be entitled to come within the general terms of the bill. This will also enable farmers of the other type to come within the provisions of the bill.

I want to say that, in my judgment, this amendment will help the problem in the cities. With just a little work many farmers will remain on the farm. Otherwise, if they are forced to the wall, they might have no choice but to go to the cities, where the living expense would be greater. They want to remain on the farm. Why not permit them to do so?

[Here the gavel fell.]

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

With the justification that the word "wages" is used in this section, I would insert in the RECORD just one statement with a comment, and not take my 5 minutes. Simply that the House may realize what it is doing in this matter of wages, I may say yesterday's paper announced that the housing atrocity known as Greenbelt, in the suburbs of Washington, has cost $14,227,000, and this cost was $4,902,000 more than it would have been save for the employment of relief labor. One-third of this cost and more was due to the necessity of paying relief labor wages according to the contemplation of this bill. It may or may not be wise to dispense charity in that fashion, but it is almighty hard on the taxpayer.

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

Mr. LUCE. I yield to the gentleman from Georgia.

Mr. COX. Has the gentleman had occasion to visit Greenbelt?

Mr. LUCE. I have visited it twice.

Mr. COX. Can the gentleman conceive of there being anywhere in the world more of a wholesale experiment in socialism, or, I might say, communism, than is found in that particular project?

Mr. LUCE. I cannot.

Mr. COX. Could the Government recoup one cent on the dollar on the expenditures made out there?

Mr. LUCE. I very much doubt it. I came back the second time with a strengthened belief that this was the most absurd, preposterous, and outrageous thing the Government of the United States ever did.

Mr. COX. And a disgrace to the Nation.

Mr. LUCE. A disgrace to the Nation.

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

The Clerk read as follows:

Amendment offered by Mr. KELLER to the amendment offered by Mr. JONES: After the word "farmers", insert "and all other persons."

The CHAIRMAN (Mr. McCORMACK). The gentleman from Illinois is recognized for 5 minutes.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

Mr. JENKINS of Ohio. I object, Mr. Chairman.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 15 minutes.

Mr. HOFFMAN. I object.

Mr. WOODRUM. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 15 minutes.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 93, noes 32.

So the motion was agreed to.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield to me for a question?

Mr. KELLER. For a question, yes.

Mr. JENKINS of Ohio. Is it not a fact that the gentleman's 5 minutes is not taken out of the 15 minutes, because the gentleman had already gained the floor?

The CHAIRMAN. The Chair understands that the 5 minutes of the gentleman from Illinois are included in the 15 minutes.

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. There were six or seven Members standing at the time the debate was closed. Is it in order to allow one man 5 minutes when six or seven Members were demanding recognition?

The CHAIRMAN. The Chair does not recognize that as a proper subject of a point of order, but the Chair feels the gentleman's suggestion is a proper one. The Chair had recognized the gentleman from Illinois for 5 minutes; otherwise the Chair would have undertaken to meet the situation as indicated by the gentleman. The Chair understands 10 Members are seeking recognition. If the gentleman from Illinois does not consume the full 5 minutes, the remainder of his time will be available for the benefit of the other Members. If there is no objection, the Chair will recognize for 1 minute other Members seeking recognition. [After a pause.] The Chair hears no objection.

Mr. KELLER. Mr. Chairman, I am in hearty accord with the amendment offered by the gentleman from Texas as amended by myself. Of course, every farmer in need of work has a right to work, and so has every other man and woman in America exactly the same right.

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

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

Mr. FITZPATRICK. The home owners who are in distress and cannot pay their mortgages or taxes should also get relief.

Mr. KELLER. Why, of course. That is what I am trying to say. The gentleman has opened the door wide to what I tried to say a couple of hours ago, that we are drifting constantly nearer and nearer to the acceptance by this body, and by the American people, of the right of a job for every man and woman who wants to work. We are going to adopt that policy. Whether we accept it today or another day is not material.

Of course, if you vote for the farmer you certainly cannot afford to turn down the fellow who is not a farmer. I am a farmer, among the rest. I am for giving the farmer his job; I am for giving the coal miner a job; I am for giving jobs to the white-collared men and women; I am for giving work to every home owner in America who needs work; I am for giving a job and good pay to every man or woman who needs a job.

This is what we are going to do, but we ought not to make fish of one and flesh of another. I therefore hope that if you are going to vote for the principle in the Jones amendment you will also vote for the Keller amendment to the Jones

amendment and declare for the right of every man and woman in America to a job.

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

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

Mr. TABER. I expect the next move will be an amendment to require a man to be a millionaire before he can get relief.

Mr. KELLER. That would be nice, would it not? But I am afraid it would not provide relief for any large number of the unwillingly idle. I have no objection to millionaires if they are fair and square and earn their wealth through service rendered. I believe in making wealth; vastly more than we are making now, and giving everybody a chance at it.

Idleness is the most expensive thing in the world. We are poor only because we are idle.

We have lost since 1930 through idleness in this country nearly $80,000,000,000 through loss to wage earners alone, and we do not seem to understand where we are going. That is 10 times what we have been willing to spend in providing jobs. What is the sense in such a policy?

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

Mr. KELLER. I yield to my friend from California.

Mr. VOORHIS. I believe if we take the 1929 production figures and figure how much less than that has ben produced since that year, the loss is close to $250,000,000,000, and I want to ask the gentleman if he does not think that that is a great deal more of a national disgrace than any attempt to build some additional houses for somebody to live in?

Mr. KELLER. Of course, it is. The disgrace of the thing is that we are poor because we have permitted ourselves to remain idle. The only reason we are poor is because we are not using our manhood and womanhood to create wealth. The only way we can do that is to create jobs, and that is the reason I am for the gentleman's amendment as amended by my amendment, to make universal employment a part of the American program. I am for universal employment, and we can have it. Other countries are doing it, and so can we. We will be wise when we do do it.

I am speaking of only industrial figures, that is, only the figures taken up and collated by the Department of Labor, which show a loss of nearly $80,000,000,000 in wages in industry alone.

Then I point out again, as I have done before, that just in proportion as the wages of industry go up the incomes of the farmers go up. They go up together and go down together, and they go along together. When labor is well employed the farmers are well employed also, and, on the other hand, when farmers are receiving proper income labor is also receiving a proper income. They either sink together or swim together. The idea that the man in the city and the man in the country are not in the same boat economically is nonsense. It is just plain, arrant nonsense. Your white-collar man in New York and your farmer in Illinois are tied just as closely as my two fingers, and each depends on the other.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois to the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. KELLER) there were—ayes 25, noes 64.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. JONES) there were—ayes 105, noes 46.

So the amendment was agreed to.

Mr. WHITE of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE of Ohio: Section 10, page 10, line 10, insert: "*Provided further*, That any person employed on a project under this appropriation who is unavoidably absent from work because of illness, as certified by a licensed physician, shall be given the right to make up the time lost by reason of such illness, through an assignment of an equivalent number of hours of work in addition to the regular monthly schedule of hours then in effect; provided that such person shall be required to make up lost time within a reasonable period, and that the amount of leave because of sickness shall not be more than 60 days in any one calendar year; and provided further, that no persons shall forfeit eligibility to relief by reason of such illness."

Mr. WHITE of Ohio. Mr. Chairman, the gag just imposed denies an opportunity to adequately explain this amendment before it is acted upon, and I have no choice but to resort to extension of these remarks to establish a clear understanding of it.

This amendment corrects a terrible injustice. It affects thousands of unfortunate people in every State and district. It does not deal with new fields of activity—the objection offered to many proposals here this afternoon. It is confined to the question of fairness in relief operations.

When a man or woman becomes sick under present relief regulations, the pay stops the minute he cannot report for work. If a person is out of a job and cannnot find one, that is bad enough; but if, on top of that, he or she is stricken ill, certainly that is a whole lot worse. The person who must depend upon relief for an income needs assistance twice as much when sickness adds to his troubles and burdens. His family has to eat just the same, and he must have medical treatment; and yet, under present regulations, the only wages he receives are shut off.

Under this amendment a person on the relief rolls who is stricken by real illness would have an opportunity to make up that lost time and restore that lost income. He or she would be given an assignment of an equivalent number of hours of work in addition to the regular monthly schedule then in effect, and would receive pay accordingly. Upon the completion of this process the individual would have the same number of hours of both work and pay that he would receive if the illness had not occurred. Is not that plain justice?

At the present time eligibility is also lost under these circumstances and recertification becomes necessary. Also, under the amendment, such forfeit will be eliminated.

By voting for this amendment you are saying to the jobless man or woman that they will not be penalized by a condition of illness they cannot help; that you are not going to refuse them the opportunity to restore their regular pay and the necessities which it affords, at a time when tough luck has hit them an extra blow.

Furthermore, the amendment is safeguarded against any possibility of playing sick, or attempted chiseling. A doctor's certificate must be furnished. If the person fails to make up the lost time by extra work, he fails to restore the lost pay. The cheater cannot cheat, and it saves those who are willing to perform this work from being cheated. In the name of fairness and humane treatment I believe this amendment should be adopted.

Mr. COX. This amendment would take care of the drunks, too, would it not?

Mr. WHITE of Ohio. Absolutely not. I shall try to appreciate the gentleman's attempt at humor, but in view of the safeguards, his inference is both ridiculous and an insult to the members of the medical profession.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, this is an attempt to write into this bill rules and regulations with respect to relief. It is impossible to do that with respect to this bill unless you want to sit here and write all the rules and regulations with respect to the various methods of employment. I hope the committee will not start doing that with respect to this bill.

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

The question was taken; and on a division (demanded by Mr. WHITE of Ohio) there were—ayes 46, noes 81.

Mr. WHITE of Ohio. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: Page 10, line 10, after the word "employment", insert: "*Provided further*, That in the payment, application, or distribution of the funds appropriated or authorized by this act, no discrimination shall be made because of membership or nonmembership in any union or organization."

Mr. WOODRUM. Mr. Chairman, I make the point of order that that is not germane to this section. Section 19 deals with that subject matter.

Mr. TABER. Mr. Chairman, may I be heard on that particular subject?

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

Mr. HOFFMAN. I do not.

Mr. TABER. Mr. Chairman, may I be heard on the subject?

The CHAIRMAN. The Chair will be glad to hear the gentleman from New York briefly.

Mr. TABER. Section 10 covers terms of employment. It covers persons who are eligible, and a great many who are not. This amendment is clearly germane, to provide in this section that no requirements shall be made as qualification for employment. Section 19 is just a penalty section. This is an affirmative section and provides for a great many different types of employment. It provides certain reasons why certain requirements should not be raised, just like the proposition that the gentleman from Texas presented. There can be no question but that it is clearly in order.

Mr. CASE of South Dakota. Mr. Chairman, may I say just a word? If this amendment were to be offered to section 19 it would not be germane, because section 19 does not deal with determining the eligibility, but deals with the act of administrators or others in trying to prevent certain employment. This section does deal strictly with the question of eligibility. Therefore, it must be germane here, because it could not be germane to section 19.

The CHAIRMAN. The Chair is prepared to rule. Section 10 relates to the employment of persons on projects under appropriations in this title and provides that applicants in actual need, and so forth, and goes on and covers in a broad way the applicants who are eligible for employment by W. P. A. The gentleman from Virginia [Mr. WOODRUM] has called to the attention of the Chair the provisions of section 19, and the gentleman from New York [Mr. TABER] has called to the attention of the Chair that section 19 is of a penalty nature. The Chair is constrained to agree with the gentleman from New York. The amendment of the gentleman from Michigan has no relation as the Chair sees it to the penalty provisions of section 19, and, if germane, would have to have some relationship to the employment of persons on projects under the appropriations in this title as contained in section 10. The amendment of the gentleman from Michigan reads:

In the payment, application, or distribution of the funds appropriated or authorized by this act, no discrimination shall be made because of membership or nonmembership in any union or organization.

In the opinion of the Chair that is a direction to the Works Progress Administrator in relation to the appointment of persons on projects under the appropriations in this title. The Chair feels that the amendment is germane, and for the reasons stated the Chair overrules the point of order. The gentleman from Michigan is recognized for 1 minute.

PROTECT THE W. P. A. WORKER

Mr. HOFFMAN. Mr. Chairman, this bill carries an appropriation of more than $3,000,000,000 of the taxpayers' money to be spent at the discretion of the President.

The purpose of the bill, we are told, is to bring about recovery. That purpose is to be accomplished mainly by giving employment to those who are out of work.

Many friends of the administration admit that a large part of the money heretofore appropriated for this same purpose has been used extravagantly, has been wasted, has been spent on useless projects.

It has been charged not only by Republicans but by Democrats in high positions as, for example, in the State of Pennsylvania, that funds heretofore appropriated for relief purposes have been used for political purposes. It is evident that politics has been played with human misery through the expenditure of relief funds.

Every man in this House is willing, and the country demands, that we appropriate out of any moneys which we have or can borrow sufficient to prevent suffering by the unemployed. Equally true is it that the people as a whole do not approve of and we should not appropriate one dollar to be used for political purposes or to further the ambition of any individual.

To aid in preventing the diversion, for the benefit of labor racketeers, of any part of the money which will be appropriated by this House under the terms of this bill, I have offered an amendment which reads:

Provided further, That in the payment, application, or distribution of any of the funds appropriated or authorized by this act, no discrimination shall be made because of membership or nonmembership in any union or organization.

In the April 30, 1938, Flint edition of the newspaper, United Automobile Worker, member of the Committee for Industrial Organization, purporting to be published at Detroit, in a box on the front page you will find this notice:

W. P. A. DUES

Any man working on W. P. A. is not entitled to unemployment receipts unless he joins the W. P. A. Auxiliary, and pays the regular dues, 50 cents each month, or pays his regular union fee of $1.

I have been informed by a member of the U. A. W. A. that "unemployment receipt" means the receipt ordinarily issued by a union on the payment of dues by a member, on which there has been stamped a notation showing that the member is out of employment, and that a union member possessing such a receipt so stamped is excused from paying his regular dues because he is unemployed.

The statement in the United Automobile Worker is captioned "W. P. A. Dues," and it means, as I construe it, that no member of a union employed on W. P. A. will be excused from paying his regular union dues, even though he is unemployed, "unless he joins the W. P. A. auxiliary, and pays the regular dues, 50 cents each month, or pays his regular union fee of $1."

Under this procedure, every member of a union desiring to secure the benefits of W. P. A. employment is required to join the W. P. A. auxiliary; in other words, a union of W. P. A. workers, and he is required to pay the regular W. P. A. auxiliary dues of 50 cents a month, or pay his regular union fee of $1.

Here we are, the whole country suffering from one of the most severe depressions in our history, taking money, either by direct or indirect taxation, from farmer, small-business man, all those who are working; from all those who are living upon what they may have been able to save during the period of their industrial activity; from everyone who eats, drinks, smokes or wears clothing; setting it apart into a separate fund, a fund which should be sacred to the purpose for which it is appropriated, that is, for the relief of suffering by the giving of made work, and, if you vote down this amendment, you refuse to say that that fund shall not be used to enrich the racketeers who would profit from the misfortune of those who are out of employment, the W. P. A. workers.

As well might an organizer or an organization demand from the beneficiaries of Red Cross funds a share of that money so charitably given.

I know of no reason why we should appropriate from a fund taken from the taxpayer's money for the purpose of giving jobs to the unemployed and then permit a labor organization, or any other organization or any individual, to exact a portion of the money so appropriated for the purpose of enriching the organization or the organizer individually.

I hope the gentleman from Virginia will accept this amendment.

Mr. FLETCHER. If the gentleman will permit, what is the W. P. A. Auxiliary?

Mr. HOFFMAN. I do not know of my own knowledge what the W. P. A. Auxiliary is, except that it is some union organization. I am advised that the W. P. A. Auxiliary is a union of W. P. A. workers and that its activities have been sanctioned, or at least not disapproved of by high State officials and men in the employ of the Federal Government.

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

Mr. HOFFMAN. Mr. Chairman, I offer a preferential motion which I send to the desk.

The Clerk read as follows:

Mr. HOFFMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. WOODRUM. Mr. Chairman, I make a point of order against the motion.

The CHAIRMAN. The gentleman will state it.

Mr. WOODRUM. A similar motion has been acted on by the House.

Mr. TABER. I call the Chair's attention to the fact that since that motion was acted upon business has intervened.

The CHAIRMAN. Does the gentleman from Virginia, in view of the fact that an amendment has been adopted since the motion was acted upon, press his point of order?

Mr. WOODRUM. I do; and I base the point of order upon the further ground that it is a dilatory motion. This is perfectly obvious.

The CHAIRMAN. The gentleman bases his point of order on the ground that it is a dilatory motion?

Mr. WOODRUM. I base it upon that ground and upon the further ground that a similar motion has been acted upon by the Committee and time for debate on this amendment has been fixed.

The CHAIRMAN (Mr. McCORMACK). The Chair is prepared to rule.

The point of order is based upon the ground that a similar motion has previously been acted on. The Chair feels this ground not sound and overrules that point of order.

So far as the question of dilatoriness is concerned, the Chair has not had sufficient evidence as yet to determine that the gentleman from Michigan is dilatory and offers his motion for the purpose of delay. This being a question of fact the Chair is unable to determine it against the gentleman from Michigan; and for this reason the second ground for the point of order is overruled.

The gentleman from Michigan is recognized for 5 minutes.

Mr. HOFFMAN. Mr. Chairman, I shall not use the 5 minutes permitted under the rule.

One other reason why I cannot vote for this bill is because not only in Michigan but in other parts of the country money which we appropriate for relief is not only used for political purposes but a portion of it is, by certain organizations, forced from those who want to work on W. P. A. jobs.

Harry Hopkins says, other spokesmen for the administration say that it is unthinkable that the funds which we appropriate for relief should be taken from those who earn them on made work. Nevertheless, that very thing is being done. W. P. A. money is being diverted from the worker's pocket to the pocket of the racketeer. It is to prevent that practice that this amendment is offered, and yet I anticipate that you will vote it down.

We of the House render lip service to high ideals, but by our acts we leave the door open for the slimy hand of the parasite so that he may pick the pocket of the unfortunate.

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. ANDERSON of Missouri. In my city of St. Louis they are charging 50 cents a month for C. I. O. dues against relief workers.

Mr. HOFFMAN. I am sure we do not want to appropriate money and then have the men who want jobs held up and made to pay tribute to an organizer before they can go to work.

Mr. Chairman, that is all I care to say. Vote this amendment down if you wish but do not say you were not warned. I yield back the balance of my time.

Mr. HOOK. Mr. Chairman, I rise in opposition to the motion.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

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

Mr. HOOK. I yield.

Mr. BOILEAU. Does the gentleman know that the C. I. O. and the Workers' Alliance have been advocating exactly the same kind of amendment the gentleman from Michigan has offered?

Mr. HOOK. Mr. Chairman, I cannot understand the gentleman from Michigan offering anything advocated by C. I. O. or Workers' Alliance. I do not believe that any person should be asked to contribute money to any organization as a condition precedent to obtaining work on the W. P. A.; but I do not believe that the gentleman from Michigan can charge the W. P. A. officials with any such action. The W. P. A. officials are not subject to the dictates of the C. I. O., and they are not subject to the dictates of the American Federation of Labor, or any other organization. I cannot understand the gentleman from Michigan [Mr. HOFFMAN] whose speeches on the floor of this House can be recognized in the record without even reading them because practically every other word is "C. I. O." He is enemy No. 1 of the C. I. O. and any labor organization.

He is now trying to lead you to believe that he is offering an amendment to protect members of C. I. O. and other labor organizations. I am suspicious that such is not the case. I believe it is nothing more or less than an attempt to blacken the name of the officials of the Works Progress Administration.

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

Mr. HOOK. I yield.

Mr. HOFFMAN. The gentleman is inaccurate in that statement. I made no attack on the W. P. A.

Mr. HOOK. The gentleman's actions are enough.

Mr. HOFFMAN. Absolutely not. I am talking today about these agents collecting dues.

Mr. HOOK. The gentleman's actions are enough, the innuendo which is left and the reason back of it is enough to convince me as to the reasons for offering it. I think I know what is behind it.

I think this is an amendment that probably should be adopted. If it were presented by a man who was sincere in an effort to protect labor organization members, I would vote for it, but I am constrained to vote against it under the circumstances, because I fear that the members of labor organizations are being put on the spot.

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield.

Mr. ANDERSON of Missouri. Does the gentleman know the fact that the C. I. O. collects 50 cents a month from W. P. A. workers in St. Louis, that this fact was reported to officials of the W. P. A., but they refused to take any action?

Mr. HOOK. I do not know anything about that.

Mr. ANDERSON of Missouri. I may state for the gentleman's information that that is a fact.

Mr. HOOK. If W. P. A. officials in the gentleman's city condone such actions, they ought to be removed even if they had to be removed by the Pendergast machine.

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

Mr. HOOK. I yield.

Mr. SADOWSKI. Does the gentleman see any objection to a W. P. A. worker joining a labor organization if he so desires, and paying dues? I cannot see anything wrong about that. Why has he not the same right as any other worker? I see no objection to W. P. A. workers belonging to any organization of their choosing.

Mr. HOOK. If he joins voluntarily that is his own business. No one should interfere or be allowed to interfere along those lines.

Mr. Chairman, I am going to offer an amendment very shortly, however, that, in my opinion, will eliminate the snooping case workers going down to unfortunates' homes to determine what is in a man's pantry before he will be given a chance for work on the W. P. A. It is a disgrace the way these E. R. A. officials act in my State. It will eliminate the E. R. A. and make the W. P. A. the certifying agency. I think the amendment I propose to offer should be adopted. However, with this gag rule of allowing only 1 minute to explain, I am fearful. I will, however, do my duty to my people and place it before you for a vote. I take this opportunity because of the limited time left for discussion of amendments to this section.

The CHAIRMAN (Mr. WARREN). The question is on the motion of the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

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

The question was taken; and on a division (demanded by Mr. BOILEAU), there were—ayes 39, noes 59.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Ohio [Mr. JENKINS] is recognized for 1 minute.

Mr. JENKINS of Ohio. Mr. Chairman, I take this time to make an inquiry of the chairman of the subcommittee. As I understand it, heretofore the rule has been that if a man is employed on W. P. A. and he leaves the W. P. A. voluntarily to get a few days' work, he cannot get back on. He has lost his place. This is not right. It would help some other man to get on while that first fellow was off. Is it the purpose of the language at the bottom of the page, line 25, to correct the situation so that if a man does leave the W. P. A. without any fault of his own to get a few days' work some place else, that he can get back on the W. P. A. when he has finished that work?

Mr. WOODRUM. That is correct.

[Here the gavel fell.]

Mr. HOOK. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOOK: Page 9, line 13, after the colon and following the word "rolls" insert "*Provided, however,* That the Works Progress Administration is hereby designated as the certifying agency."

Mr. HOOK. Mr. Chairman, this is the amendment that will do away with your snooping social workers who, without any invitation, walk into people's homes, go through the house from cellar to roof, from pantry to bedroom, and lecture the housewife and insult the husband before they will make a report as to whether or not a man is entitled to work for his daily bread. I do not know what the condition is in the rest of the States, but in the State of Michigan it is an absolute disgrace. The Michigan congressional delegation, including our Senator, decided yesterday that this amendment should be adopted. It is my thought that if the W. P. A. officials were given the authority to determine the actual need, without being browbeaten by these snooping social workers, we will be far better off and the people who are actually in need of work would receive it on a basis that is fair and just. For God's sake, how long must we put up with the E. R. A.

You have provided in this bill that any person who leaves W. P. A. for private employment and then loses his job, will, if he needs work, be immediately employed on W. P. A. That reads nice on paper, but it does not work out that way. He must now be recertified by E. R. A., which takes 3 weeks. In the meantime his family suffers. Make the W. P. A. the certifying agency and you will carry out the intention, and he can immediately go to work. This amendment should be adopted.

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

The amendment was rejected.

The CHAIRMAN. The gentleman from California [Mr. VOORHIS] is recognized for 1 minute.

Mr. VOORHIS. Mr. Chairman, I want to ask a question of the chairman of the subcommittee, along the line of the question asked by the gentleman from Ohio. Do I understand the language at the beginning of this section to mean that a man who has successfully kept himself off of relief, who has tried his best not to have to go on the relief rolls, but who has come to the place where he must have a job to keep going, is eligible for a W. P. A. job?

Mr. WOODRUM. That is my understanding of the import of the language.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 11. No alien illegally within the limits of the United States or alien who has not, prior to the date of enactment of this joint resolution, filed declaration of intention to become a citizen shall knowingly be given employment or continued in employment on any project prosecuted under the appropriations in this title: *Provided,* That preference in employment on such projects shall be given in the following order: (1) Veterans of the World War and the Spanish-American War and veterans of any campaign or expedition in which the United States has been engaged (as determined on the basis of the laws administered by the Veterans' Administration) who are in need and are American citizens; (2) other American citizens, Indians and other persons owing allegiance to the United States who are in need; and (3) those aliens in need who, prior to the date of enactment of this joint resolution, shall have declared their intention to become American citizens.

Mr. LANHAM. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: On page 10, line 11 through 25, and on page 11, lines 1 and 2, strike out section 11 and insert in lieu thereof the following:

"No alien shall be given employment or continued in employment on any project prosecuted under the appropriations in this title. Preference in employment on such projects shall be given in the following order: (1) Veterans of the World War and the Spanish-American War and veterans of any campaign or expedition in which the United States has been engaged (as determined on the basis of the laws administered by the Veterans' Administration) who are in need of employment and are American citizens; and (2) other American citizens, Indians, and other persons owing allegiance to the United States who are in need of employment."

Mr. LANHAM. Mr. Chairman, surely in a financial way our country has been long enough an international easy mark. Our people are today being compelled to pay the interest on obligations owed us by foreign governments and eventually, perhaps, will have to pay the obligations themselves. There is no foreign country within my knowledge that accords to needy American citizens work relief. As a matter of fact, no needy American citizen abroad can get private employment without a special permit, which is very difficult to procure.

Every alien who has entered this country for a great many years has had to give satisfactory assurances that he would not become a public charge. Since 1924 both the State Department and the Labor Department, since the inauguration of our quota system, have stipulated and insisted that in accordance with the law this provision be complied with. Consequently, no alien who has come into this country since 1924 is any proper object of our bounty, because of the fact he had to give assurance he would not become a public charge. Any alien who has been in this country that long or longer is certainly no proper object of our bounty unless he has been sufficiently in sympathy with our ideals and our institutions to have become a citizen of this country.

This represents my personal view. I am tired of seeing the American taxpayer bear upon his back, in addition to the burdens he is now carrying on account of debts of for-

eign nations, this obligation to pay money to aliens who came here giving assurance they would not become public charges or who have been here long enough to have become citizens if they are in sympathy with our institutions and our principles and have not done so.

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

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

Mr. DICKSTEIN. The gentleman has stated this has been the law since 1924. There is no such law at all. An Executive order was issued back in 1931 by President Hoover directing the consuls on the question of aliens becoming public charges. Between 1924 and 1931 there was no such rule and no such law.

May I also call the gentleman's attention to the fact that between 1928 and 1933 the naturalization fee was $40, and millions of aliens could not become citizens of the United States until I had that fee reduced to $10. A further reduction is needed to give a lot of fine people who are legally in this country an opportunity to become citizens of the United States.

Mr. LANHAM. My information is to the effect that since 1924 both the State Department and the Labor Department, through the Immigration Service, have been cooperating in the enforcement of the provision, be it law or regulation, that no alien should be admitted into this country under our quotas who could not and did not give satisfactory assurance he would not become a public charge.

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

Mr. LANHAM. I yield to the gentleman from Michigan.

Mr. SADOWSKI. I know the gentleman from Texas is not as cruel as this amendment would make him out to be. I have talked with the gentleman before about this matter. I know the gentleman does not intend to starve American-born children, born here of alien parents, but that is what the gentleman's amendment would do.

The gentleman also knows the law now provides that a man must have his first citizenship papers before he is eligible. An alien in the true sense of the word is not eligible under the act. He must have shown his intention of being a citizen.

The gentleman also knows that in my city and in several other cities we have Federal judges who put such strict restrictions on some of the people who are applying for citizenship that although they try for years and years they cannot make the grade. They have it in their hearts to be citizens but cannot get the papers. The gentleman is not really sincere in proposing this amendment. I know he is not that cruel.

[Here the gavel fell.]

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

Mr. Chairman, there is one provision of this amendment that its author has not discussed at all, and it changes the original act to a great extent. In listing those who shall first receive preference, naming the veterans, the amendment provides that, instead of the words "who are in need and are American citizens", the amendment will make the bill read "who are in need of employment."

What are the inconsistencies in this bill? You have written in the bill a preference for veterans to receive this employment, but it is a preference that does not work out today, and never has worked, and, as far as actual employment is concerned, means nothing, because the way the act is administered under this very act you penalize a veteran. You say to a veteran who is drawing $10 or $15 a month from his Government that he is not actually in need and therefore cannot go on relief and receive work under W. P. A., whereas a nonveteran may draw $30 or $40 or $50 a month from his work, whatever rate is being paid in your community to men who work under the W. P. A. You say to the veteran, "Because the Government gives you this pittance you must exist on it. You cannot be employed under W. P. A. because you are not on direct relief." The same thing applies to a veteran who does not draw compensation, or pension as to a nonveteran, and under the bill you even discriminate among veterans.

In one section of the bill you also say the fact that a person is entitled to or has received either adjusted-service bonds or a Treasury check in payment of an adjusted-compensation certificate shall not be considered in determining actual need of such employment.

However, there are many instances of just this situation in my district. I have letters in my office on the very question and I am sure there are many such letters in the offices of other Members. A man may have received an adjusted-service certificate and bought a couple of acres of land with the $1,000 he got from it. On that land he may have built a one-room shack and endeavored to make himself a living off the 2 acres. Then he finds he cannot do it. He cannot go on direct relief. You deprive him of the benefits of the W. P. A., although you would exempt him if he had kept the cash in hand. However, if he invested the cash in something else on which he cannot make a living you say, "Because you invested that cash we will deprive you of the opportunity of employment under the W. P. A."

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

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

Mr. LANHAM. The amendment I have offered will relieve that very situation.

Mr. GRISWOLD. Yes; the gentleman's amendment will relieve it. In other words, the gentleman's amendment will do for the veteran just what you sought to do by the Jones amendment for the farmers. You not only give the veteran a preference but you say you will give preference to the veteran who is in need of employment. You differentiate between need and need of employment. They say a man is not in need when he has this pittance, but under the amendment of the gentleman from Texas, if he is in need of employment he is entitled to relief work.

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

Mr. GRISWOLD. I yield to the gentleman from Michigan.

Mr. WOLCOTT. What distinction is drawn between the veteran and other American citizens, including Indians? I have noticed that in his amendment the gentleman does not apply the same standard to others as he does to the veterans. He differentiates, because in one case he states, "in need of employment" and in the other instance he states, "who are in need."

Mr. GRISWOLD. I cannot tell the gentleman what was in the mind of the gentleman offering the amendment governing the Indians. I have explained this one particular feature of the amendment as it relates to the present bill and I would be pleased to have the gentleman inquire of someone else about the rest of it. I am calling the attention of the membership to this one clause only and the injustice that exists and can only be cured by the adoption of an amendment to the pending bill.

I have from the beginning opposed on the floor of the House not relief but the relief policy on which we have entered. It would be mere repetition for me to again state what I have said so many times in the past about the relief policy. Men must be kept on public money pay rolls as we have kept them for the past 6 or 7 years or we must keep them on private pay rolls.

There is no middle ground. We have given relief money to nearly 15,000,000 people. To cut them off now without notice and without provision for their maintenance would be not only inhuman and cruel but might be in fact disastrous. History is replete with the examples of what a hungry populace has done to the orderly processes of government.

I was opposed to the present system of relief, and now I am left to choose between a continuation of a policy to which I was opposed or the more disastrous results that might eventuate from the abrupt ceasing of the operation of that policy.

This bill, like some of the other relief bills, has commingled many other things with relief—matters that should

have been placed in a separate bill. This bill has in it money for construction of much-needed veterans' hospitals that have already been started. It contains an appropriation of funds from which loans and grants are made for the construction of rural electrification lines; the appropriation for the National Youth Administration to pay for the completion of school courses on which the Government has already started these boys and girls; the appropriation for loans to farmers and the money for the construction of flood-control projects that have already been started. To vote "no" on the bill would be to vote against these things that I have always advocated.

I shall vote for a motion to recommit with instructions to turn the actual administration and distribution of this relief money back to the States if such a motion is offered. I am of the opinion that it could be best administered by the States and that the taxpayer would get more for his money and the worker on relief would get more for his work. I can give you figures that I have given before to prove my point. Prior to August 1, 1935, the Federal Government granted this money to the States and the States distributed it under local control. The prevailing rate of wage was paid and in seven counties of my district, operating for 26 months under the local control system, paying the high wage, the cost of relief was an average of $57,021.67 per month.

In these same seven counties operating under the W. P. A. system and paying the so-called security wage only, for the first 9 months the average cost per month was $148,573.76. Under the State-control system the man on relief got more money, had more to spend with the local merchant, and the cost to the taxpayer was 60 percent less.

I will not vote for a general motion to recommit, for such a motion merely dodges the issue and avoids a vote on the merits.

Whether or not control is returned to the States, I shall vote for the bill on final passage. People must eat.

[Here the gavel fell.]

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

Mr. Chairman, in rising against this amendment, may I say that I heartily sympathize in principle with what the gentleman from Texas [Mr. LANHAM] is driving at, but let us look at the way this would work in an industrial community in the Northeast. May I cite my own community? In our community of Stamford, Conn., we have been putting up about $900,000 a year out of our own municipal pockets for relief. As you have heard this afternoon, this is more than some of the whole States of the Union have put up. Back in 1928 we put up $40,000 a year, but right this minute it is costing us about $900,000.

We have a great many aliens there who are older people, who came into the United States before the educational requirements were what they are today. These people are, you might say, of the old country farmer type. They are sturdy, self-respecting fine people who have raised a large family in some cases and in some cases a smaller family of good American citizens. These people are on relief. As I have demonstrated we are doing our share in our own community to help solve the relief problem. We do not believe in aliens who do not wish to become citizens being subsidized by the United States, and yet we have the problem in this industrial community of helping people who came over here years ago, who did not have the education then and, perhaps, have not the education today, to become citizens, and yet they are good residents, and I wish I might say citizens of that community.

Let me repeat, we are doing our share in the matter of relief. We are spending over $900,000 a year and we feel the Government ought to help us.

This is a practical situation, and I hope the amendment of the gentleman from Texas is defeated. If his amendment should prevail we could not apply United States funds for the relief of these cases of noncitizens of which cases I have spoken.

Again I urge you to defeat the amendment of the gentleman from Texas.

Mr. LANHAM. Mr. Chairman, if I may submit a unanimous-consent request, I ask unanimous consent that at the end of the amendment, following the word "need", there may be added the words "of employment by."

The CHAIRMAN. The gentleman from Texas asks unanimous consent to modify his amendment in the manner indicated. Is there objection?

There was no objection.

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

The Clerk read as follows:

Amendment offered by Mr. SACKS to the amendment offered by Mr. LANHAM: After the word "employment", in the last line of the amendment, insert a semicolon, and add: "those aliens in need who prior to the date of enactment of this joint resolution shall have declared their intention to become American citizens."

Mr. SACKS. Mr. Chairman, this is merely a restatement of what the law is today.

My colleagues will recall during debate when we last had this resolution up there were many people in this country, sons and daughters, who are citizens. Some of these sons fought for this country during the war, but because of educational requirements they have been unable to obtain citizenship.

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

Mr. SACKS. I yield.

Mr. LANHAM. I will say to the gentleman, in case the amendment I have offered does not carry, I am offering another amendment containing this provision, except that I am making the exception in that amendment of those who declared their intention to become citizens prior to June 29, 1937, the date when the act went into effect, in order to avoid a great number rushing in now and declaring their intention to become citizens merely to get the advantages of this legislation.

Mr. SACKS. I will say to the gentleman that even those who have filed since June of last year I think ought to be considered because they have shown an intention to become American citizens.

I believe this provision ought not to be in the bill at all because there are many aliens who paid taxes to the Government when they were working and helped to support the Government, but for some reason they have not been able to become citizens.

I think this provision should not be in the bill, but if it is in, it should not apply to those who have wished to become citizens but have not been able to complete the course necessary to become citizens.

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

Mr. SACKS. I yield.

Mr. PHILLIPS. What the gentleman from Texas has said still does not meet the proposition of the poor fellow who came in years ago and has not the educational requirements.

Mr. LANHAM. May I say to the gentleman that at that time they did not have the educational requirements they have now, so why did they not become citizens?

Mr. PHILLIPS. Because they were never able to get the education.

Mr. SACKS. I therefore urge my colleagues to continue the resolution as it is now by adopting my amendment to the amendment of the gentleman from Texas, or vote both of them down. If you vote both amendments down that will leave the situation in status quo, but if you adopt the amendment of the gentleman from Texas you ought to adopt my amendment and show some humanitarian feeling toward these individuals.

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

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SADOWSKI. Mr. Chairman, every time this matter of aliens is mentioned I know that a great many of us get

unduly excited. I know that some gentlemen, especially from the South, who come from districts where they do not happen to have any aliens or people of foreign extraction, are not as well acquainted with the problem as some of us who come from the northern districts. If we adopt the amendment offered by the gentleman from Texas [Mr. LANHAM], we will not be punishing any aliens. You can put that down as a fact. This bill provides, in section 11, page 10, line 11, that "no alien illegally within the limits of the United States, or alien who has not, prior to the date of enactment of this joint resolution, filed declaration of intention to become a citizen" shall be given employment. We will be punishing American-born children, born of parents who have their first papers. You cannot deport those people. They are here legally, and they will stay here; but you will take bread and butter away from their children, American children. You will let them starve, or you will make criminals out of them, and you will put them in jail, and some day someone will see a foreign name in the newspapers of some man who has gone to jail, and they will say, "Look at that foreigner going to jail," and it will be you who will have sent him there, because you did not give him an opportunity for education, you did not give him those chances that every American citizen is entitled to have. You, the Congress of the United States, will be responsible. These people are entitled to the same opportunities, whether they are first-generation Americans or whether they are *Mayflower* Americans. They are entitled to the same privileges; and if you are going to fight somebody, for God's sake do not fight little children. That is not the business of Congress. No one of us has it in his heart to be that cruel, no matter what part of the country he comes from.

You cannot be that vicious. It is because of ignorance, or because of political propaganda, or because some people think it is good demagoguery that they would be willing to vote that way. Let me cite a case that came up in my own district. It is the case of a man named Joe Krivitz who lived in my district and had for about 12 or 15 years unsuccessfully tried to get his second papers. He had his first papers. He applied repeatedly to the Federal court in my city but could not get his citizenship papers. Then because of the ill health of his wife, he moved to Alabama, in the Mobile district, where our good friend and former colleague, John McDuffie is now sitting as a Federal judge. Joe Krivitz went down there, and applied for citizenship before Judge McDuffie, and he got his papers. Judge McDuffie said, "Joe, how long have you been in this country?" Joe told him, and also informed him that he was a married man and had some American-born children that he was bringing up as good, respectable, God-fearing citizens. Then Judge McDuffie asked him if he had ever been arrested, or if he had ever been convicted of any crime or committed any wrong. Joe told him that he had not. Then the judge said, "O. K., Joe, you will make a good citizen", and Joe got his papers. But you cannot do that in Detroit, or in certain parts of Pennsylvania, or in certain other districts, where you have these vicious Federal judges sitting who have one idea in mind and that is to make life miserable for some poor soul.

Why, the Members of Congress would have a difficult time to answer some of the questions that are asked by these Federal judges. It is unfair to deprive a good, honest, human being who has raised his family properly and respectfully and has entered this country legally—has taken out his first papers and has made every effort to obtain his second papers, from the right to work; the right to feed, clothe, and educate his children. It is not only unfair but it is un-American. I sincerely hope that this amendment is defeated.

Mr. BOILEAU. Mr. Chairman, the section now in the bill certainly should go far enough to satisfy any member of the House who is inclined to feel somewhat hostile to the practice of giving W. P. A. employment to aliens. The provisions of the bill go further than I would be willing to have them go, but certainly I hope the membership of the House will not approve the drastic provisions contained in the amendment proposed by the distinguished gentleman from Texas [Mr. LANHAM]. That amendment goes too far. There is no justification in permitting aliens to live in this country, permitting them to be here, and then not giving them an opportunity to at least eke out a living, a subsistence. Some gentlemen on the floor, in discussing this problem, seem to think that this W. P. A. subsistence income is a splendid income. Some seem to think it is a choice plum to be distributed only to American citizens. Some think that only the higher types of citizens, according to education and culture, perhaps, or some other standard, should have these jobs. I submit that W. P. A. wages are so low that any one living within the territorial boundaries of the United States should not be deprived of that minimum income for the purpose of sustaining life. I think it is deplorable to even consider preventing aliens who are here legally within the United States and who have filed their first papers, from at least this little income.

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

Mr. BOILEAU. Yes.

Mr. WOODRUM. Will the gentleman emphasize that under the provisions of law as provided in section 11, no alien who is here illegally can get relief of any kind.

Mr. BOILEAU. That is correct.

Mr. WOODRUM. Nor can any alien get work relief at all unless prior to the time of this becoming a law unless he has filed his first papers.

Mr. BOILEAU. That is correct.

Mr. WOODRUM. And even then American citizens and veterans have preference over that alien.

Mr. BOILEAU. That is correct. I do not personally agree to the provisions contained in this section but certainly you do not want to go any further than that. Certainly that is as far as you want to go in discriminating against people who merely ask for bread.

This section of the bill goes further than I would want to go. Certainly we do not want to go further than the provisions of this section. We want to be fair to these people. The gentleman from Indiana pointed out something about veterans' preference and the distinguished gentleman from Texas, a man for whom I have the most profound regard, modified the amendment so as to deal with veterans who are in need of employment. That is a better provision than is contained in this bill so far as veterans are concerned, but that should not influence the Members of this House in voting upon this proposition, because if you vote down the Lanham amendment you can still change the situation. So the veterans' question is not involved at all in this proposition. The only question involved in that amendment is the question of relief for aliens.

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

Mr. BOILEAU. I yield.

Mr. SACKS. Is it not better to vote down the amendment of the gentleman from Texas, or if you vote my amendment down vote them both down?

Mr. BOILEAU. I agree that the gentleman's amendment is an improvement. The only fair thing to do is to vote them both down so there will not be any question about what the committee wants.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired; all time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

The CHAIRMAN. The question recurs upon the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. LANHAM. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: Page 10, lines 11 through 25, and on page 11, lines 1 and 2, strike out section 11 and insert in lieu thereof, the following:

"No alien who is not legally in the United States and no alien who has not prior to June 29, 1937, filed declaration of intention

to become a citizen shall be given employment or continued in employment on any project prosecuted under the appropriations in this title: *Provided*, That preference in employment on such projects shall be given in the following order: (1) Veterans of the World War and the Spanish-American War and veterans of any campaign or expedition in which the United States has been engaged (as determined on the basis of the laws administered by the Veterans' Administration) who are in need of employment and are American citizens; (2) other American citizens, Indians, and other persons owing allegiance to the United States who are in need of employment; and (3) those aliens in need who are legally in the United States and who prior to June 29, 1937, have declared their intention to become American citizens."

Mr. LANHAM. Mr. Chairman——

The CHAIRMAN. The Chair cannot recognize the gentleman from Texas. All time has expired on this section, and all amendments thereto.

Mr. LANHAM. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for 2 minutes. Is there objection?

Mr. SADOWSKI. Mr. Chairman, I object.

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

The question was taken; and on a division (demanded by Mr. LANHAM) there were—ayes 58, noes 73.

So the amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. GRISWOLD: On page 10, line 22, after the word "in", insert the word "actual", and after the word "need", insert the words "of employment."

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Indiana.

Mr. PHILLIPS. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. PHILLIPS. In opposition to the amendment.

The CHAIRMAN. The Chair cannot recognize the gentleman. All debate on this section has been closed.

The question is on the amendment offered by the gentleman from Indiana.

The amendment was rejected.

The Clerk read as follows:

SEC. 12. No person employed on work projects under the appropriations in this title and in need who refuses a bona fide offer of private employment under reasonable working conditions which pays as much or more in compensation for the same length of service as such person receives or could receive under such appropriations and who is capable of performing such work, shall be retained in employment for the period such private employment would be available: *Provided*, That any person who takes such private employment shall at the expiration thereof be entitled to immediate resumption of his previous employment status if he is still in need and if he has lost the private employment through no fault of his own.

SEC. 13. Appointments to Federal positions of an administrative or advisory capacity under the appropriations in this title in any State shall be made from among the bona fide citizens of that State so far as not inconsistent with efficient administration.

So far as not inconsistent with efficient administration no part of the appropriations in this title shall be available to pay the compensation of any officer or employee of the United States who holds an administrative, executive, or supervisory position under this joint resolution, if the position is in any office located outside the District of Columbia or is on any project prosecuted in any place outside the District of Columbia, unless such person is an actual and bona fide citizen of the State, Territory, region, or district in which the office or project is situated, but this provision shall not apply to the temporary and emergency assignment of any person to a position where the period of service in such position does not exceed 60 days.

SEC. 14. No part of any appropriation in this title shall be used to pay the salary or expenses of any person in a supervisory or administrative position who is a candidate for any State, district, county, or municipal office (such office requiring full time of such person and to which office a salary or per diem attaches), in any primary, general or special election, or who is serving as a campaign manager or assistant thereto for any such candidate.

Mr. WOODRUM. Mr. Chairman, the remaining sections in title I down to page 17 contain nothing particularly controversial. I ask unanimous consent that these sections may be considered as having been read, be printed in the RECORD, and that they be now open to amendment.

Mr. TABER. Mr. Chairman, I am inclined to believe that it would be better to proceed in order.

Mr. WOODRUM. I was just trying to save a little time.

Mr. TABER. I do not think you will save any time.

Mr. WILCOX. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WILCOX: Page 12, lines 10 and 11, after the word "person", strike out "in a supervisory or administrative position"; in line 12, after the word "any", insert "Federal"; in line 16, after the word "candidate", strike out the period and insert the words "or who is actively campaigning for any such candidate", so that the section when so amended will read as follows:

"SEC. 14. No part of any appropriation in this title shall be used to pay the salary or expenses of any person who is a candidate for any Federal, State, county or municipal office (such office requiring full time of such person and to which office a salary or per diem attaches), in any primary, general, or special election, or who is serving as a campaign manager or assistant thereto for any such candidate or who is actively campaigning for any such candidate."

Mr. WILCOX. Mr. Chairman, I offer this amendment for the purpose of clarifying section 14. May I say in the beginning that I compliment the subcommittee in the preparation of this bill and for the courageous manner in which they have recognized the necessity for providing against political manipulation of relief funds. The difficulty with the section as written is that it does not accomplish the purpose which the Committee had in mind.

Mr. Chairman, I should like to discuss the amendment which I have offered in proper order as applied to the section. The section as written in the bill begins with this statement:

No part of any appropriation in this title shall be used to pay the salary or expenses of any person in a supervisory or administrative position who is a candidate—

And so forth.

As written, I submit that language would not reach persons who are employed in the so-called white-collar class. I should like to call attention of the membership of the House to the fact that under the terms of this bill and under the Works Progress Administration as heretofore carried on, white-collar jobs are the places in which politics can be and are being played. I should like to call attention, for example, to this type of project: In my State recently, at a time when thousands of people were hungry and in need of employment, $84,000 of relief money was set aside for the purpose of creating a white-collar project known as a tourist survey. In other words, $84,000 was set aside for the purpose of ascertaining how many tourists came to my State last year and from where they came. Those persons employed on that type of project are not relief people. They were paid salaries in some instances as high as $200 per month. They were paid $150 and $175, regardless of need and regardless of the position which their families may have occupied.

Under this section as written, persons could still draw $150 or $175 a month on one of these white-collar jobs and still be a candidate or the campaign manager for a candidate. If we are really, honestly, and seriously concerned about work relief, and not about setting up a political machine, we must provide against the appointment of political parasites and camp followers to positions on these white-collar projects.

I should like to call your attention to the further language in the section as written, proceeding from the point where I just left off, as follows:

who is a candidate for any State, district, county, or municipal office.

I submit, Mr. Chairman, that if we are actually going to provide against political use of this money, there is no particular reason why we should limit this to State and county officers and still permit it to be used for Federal offices. Are we to infer that Congress has deliberately left the door open to use these funds to influence congressional elections? So my amendment seeks to add the word "Federal" so that no

part of it may be used for a Federal, State, county, or municipal office. Then at the end of the section it states the money shall not be used for the payment of the salary of any person who is serving as "campaign manager or assistant thereto." It is easy enough to have campaign workers on the pay roll without designating them as "campaign managers" or "assistant campaign managers"; therefore I have added at the end of the sentence, "or who is actively campaigning for any such candidate."

I am addressing myself entirely to my own party Members of the House. May I say, Mr. Chairman, there are thousands of people in this country today who believe honestly and conscientiously that the Works Progress Administration is a huge political organization. Many people believe that the object of this bill is to provide the funds to influence coming elections. We cannot escape the proposition that we are approaching our primary elections and the general election in the fall. If there is anything in the world that our party needs to do at this time it is to restore the confidence of the people in the honesty of the Democratic Party in providing relief funds for relief purposes.

You and I are striving to provide jobs for the needy unemployed who want to work. Let us not, by our refusal to safeguard these funds against political manipulation, plead guilty to the charge that Congress is setting up a huge fund to control political elections. I appeal to my Democratic colleagues to show to the world that the charges of our enemies are false and that we are determined to see to it that relief funds are used for the relief of suffering, needy, hungry, unemployed, and not for politics.

[Here the gavel fell.]

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

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

Mr. WOODRUM. Mr. Chairman, I hope the gentleman will not press that. All day we have been going along under the 5-minute rule.

Mr. WILCOX. May I say to the gentleman that from the standpoint of the prestige of his party and mine, this is a very important question.

Mr. WOODRUM. Many of these things are important and much of the bill that is important still remains to be acted on and we have to finish it tonight.

Mr. WILCOX. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

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

Mr. WOODRUM. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Florida [Mr. WILCOX].

Mr. Chairman, may I ask the gentleman how he feels about that portion of his amendment which undertakes to strike out of the present law the words "supervisory or administrative position"? The provision which is already in the bill does not apply to supervisory or administrative positions. That is to say, if a man is a foreman or occupies some minor position in a State organization, it does not take away his right of citizenship if he should wish to become a candidate for public office.

I am very much in sympathy with the principal part of the gentleman's amendment which undertakes to make this applicable to Federal as well as State offices.

Mr. WILCOX. The gentleman asked me a question. Will he permit me to answer?

Mr. WOODRUM. I yield to the gentleman.

Mr. WILCOX. I answered the question while the gentleman was reading my amendment. The section says that no part of the fund shall be used to pay the salary of any person engaged in an administrative or supervisory capacity. It would not, however, prevent the use of politics in white-collar jobs paying $150 or $200 per month on such projects as the tourist-survey project to which I just referred. If you are going to eliminate these people from politics, let us take them all out of it and say that no part of this money shall be used to pay the salary or expenses of anybody who is running for any sort of office.

Mr. WOODRUM. While I am heartily in sympathy with the object the gentleman seeks to accomplish—and I am confident the House is—on the other hand, I do not believe that because a man happens to have a position of some kind all of his rights as an American citizen should be taken away from him. The adoption of this amendment as the gentleman has drawn it just about does that. If my recollection serves me correctly and if my information is correct, a distinguished Member of this body is sitting on the floor now who would not have been elected if this amendment had been law, and nobody suggests there was anything wrong in his election to public office. I believe there is a happy medium we can reach. If the gentleman would be willing to put in the word "Federal" to make this law apply to Federal positions as well as State, county, and municipal positions, although I cannot speak for the committee, I personally would have no objection to it.

Mr. WILCOX. Would the gentleman have any objection to the remainder of the amendment?

Mr. WOODRUM. I believe that should go out. I think it is going pretty far when you extend it down the line to minor positions.

Mr. WILCOX. May I call the attention of the gentleman to the fact that if we eliminate the word "administrative" there is still another part of my amendment which states that no part of this money shall go to pay the salary or expenses of any person who is actively campaigning for a candidate.

Mr. WOODRUM. I have no objection to that.

Mr. O'CONNELL of Montana. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Montana.

Mr. O'CONNELL of Montana. Is it not true that under a ruling of the Comptroller General this provision as written in this law applies to all, whether people in an administrative capacity or project workers or anyone else?

Mr. WOODRUM. I am not acquainted with that.

If the gentleman from Florida will modify his amendment, I have no objection to it, personally. Of course, I cannot speak for the committee.

The CHAIRMAN. Does the gentleman from Florida modify his amendment?

Mr. WILCOX. Mr. Chairman, I think it is fundamental. If that amendment is going to do any good it ought to go through the way it is.

Mr. PHILLIPS. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. PHILLIPS: On page 12, line 8, after the period strike out Section 14 in its entirety.

Mr. PHILLIPS. Mr. Chairman, I offer this substitute amendment, to strike out section 14 in its entirety, for this reason: According to the wording of the original section, as well as the amendment which has just been placed before you, American citizens are deprived of their right to run for public office if on relief and in slightly better relief jobs. The amendment also deprives the community from which they come and where they live of the right to their services. Both of these propositions are un-American. I am willing to concede there may be some politics in relief. I hope there are not, but I do not believe you can get away from it. Show me in life, show me any society, show me any club, or, almost, show me any church organization where there is not politics of some kind, maybe not Democrat and Republican, but Mary Jones and Bill Smith politics, and if you can do this I will concede that by writing a law you can take politics out of some large human relationships. In short, I believe that you cannot take politics 100 percent out of anything in Government or anything else in human nature. Conceding this, do not deprive some

poor fellow who perhaps cannot get a job of his right as an American citizen to run for public office just because he may be a better and more intelligent type of individual and hence gets a little better job in the W. P. A. or some governmental relief activity. Do not deprive his community of the right to have his services, either. It is indeed un-American to deprive a citizen of his right to run for public office and to deprive his community of his services simply because, for example, his factory where he works is closed and he cannot get a job.

I hope you will vote for my substitute and thus strike this section out in its entirety.

The CHAIRMAN. The amendment offered by the gentleman from Connecticut is not a substitute. The amendment offered by the gentleman from Florida is a perfecting amendment and therefore has precedence.

The question is on the amendment offered by the gentleman from Florida [Mr. WILCOX].

The question was taken; and on a division (demanded by Mr. WOODRUM) there were—ayes 77, noes 75.

Mr. WOODRUM. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WILCOX and Mr. WOODRUM.

The Committee again divided; and the tellers reported that there were—ayes 79, noes 110.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. PHILLIPS].

The question was taken; and on a division (demanded by Mr. PHILLIPS) there were—ayes 13, noes 92.

So the amendment was rejected.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 6 minutes.

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

There was no objection.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 12, lines 10 and 11, strike out "in a supervisory or administrative position" and insert "receiving a salary in excess of $75 per month."

In line 12, after the word "any" insert the word "Federal" and a comma.

Mr. CASE of South Dakota. Mr. Chairman, the purpose of my amendment is to try to accomplish the purposes that seem to be agreed upon as already expressed in the debate.

The section would read, with my amendment, as follows:

No part of any appropriation in this title shall be used to pay the salary or expenses of any person receiving in excess of $75 per month who is a candidate for any Federal, State, district, county, or municipal office,

And so forth. This would meet the situation that has been raised by the gentleman from Florida [Mr. WILCOX] because it would stop anybody who is receiving a salary of $150 or $200 a month, but at the same time it would permit the people who are on ordinary relief, those living in rural sections and who are receiving relief or grants from the Farm Security Administration and those in towns who are working on ordinary W. P. A. jobs, to run for county office.

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

Mr. CASE of South Dakota. Gladly.

Mr. BOILEAU. I am not sure what the rates are in your city, for instance, but it is my recollection that white-collared jobs and professonal men working on W. P. A. projects in New York City receive in excess of $75 a month. Would the gentleman want to preclude them from running for a position on the school board or for the position of supervisor or positions of that kind?

Mr. CASE of South Dakota. Of course, this bill goes on to say "such office requiring full time of such person and to which office a salary or per diem attaches," and therefore a position on a school board would not be affected.

Mr. BOILEAU. How about any other kind of position or city office or State office?

Mr. CASE of South Dakota. Of course, if they are getting more than $75 they are in fairly good positions and do not need to run for office. I have in mind a specific instance of a young man who used to be employed at a creamery station. He was working at $50 or $60 a month when times got bad and he lost his job and went on relief at about $40 a month. He was just an average citizen in a rural community and he wanted to run for the position of clerk of courts, a position which would not pay more than eleven or twelve hundred dollars in that particular county, yet under the present law he is barred from running. His particular problem will be solved by the section in the bill as before us but, as was brought out by the gentleman from Florida, the section will not reach highly paid project workers who are not supervisors.

My amendment seeks to cover both situations. It would permit the ordinary citizens on relief to run for county offices because they are not getting $75 per month, yet it would prevent those who are in a position to crack the whip, so to speak, from using their position to corral votes for any office.

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

Mr. CASE of South Dakota. I yield to the gentleman.

Mr. PHILLIPS. In other words, if I understand the gentleman right, he would let the man out in the rural districts run for office, if he were out of a job and on relief, but in the cities they could not do that?

Mr. CASE of South Dakota. Oh, no; not necessarily; not unless he were getting over $75 a month. I took that as the dividing line because I remember when we had up the relief bill for this city, a $75 limitation was written into the bill. This would let the average worker in the city of Washington, or in any other city, town, or county, getting up to $75 a month run for office, but it would prevent the man who is in a position to capitalize on his administrative authority or on an especially profitable connection with W. P. A., to use such benefits in a political way.

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

Mr. CASE of South Dakota. Yes.

Mr. PHILLIPS. In other words, the gentleman is willing to admit the proposition that if some poor devil is out of work and cannot get a job and yet may be capable of handling a job, and could be of service to himself and his community by running for office—the gentleman is willing to admit that he agrees with the proposition that such a man should not run for office?

Mr. CASE of South Dakota. Oh, no; the amendment opens the way for him. It does not place any limitation with respect to the city or the country so far as that is concerned. The limitation is simply that if he is getting more than $75 a month out of relief and thereby is in a position where he would have supervisory or administrative power or more than ordinary funds to use for political purposes——

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

Mr. CASE of South Dakota. I yield.

Mr. SADOWSKI. Is it not true that in some of the projects in the Southern States the foreman and supervisors get less than $75 a month and they would still be permitted to participate in politics and therefore the matter brought up by the gentleman from Florida would not be corrected?

Mr. CASE of South Dakota. It would be corrected because the gentleman from Florida referred to people who get $150 or $200 a month.

[Here the gavel fell.]

Mr. O'MALLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I only rise here to say in opposition to this amendment that this certainly is not a very encouraging view of American statesmanship that we see here when

Members of Congress would deprive their fellow Americans of their constitutional rights simply because they are unfortunate enough to be on relief. This would deny to Americans who are on relief their inalienable rights to become a part of this Government if they feel like exercising those rights. To think that here in this Hall some $10,000,-a-year men are afraid some poor $75-a-month reliefer is going to be a candidate for election would deny a man that right is hardly a credit to the history of this forum. Why spend time on an amendment like this? The next thing some of the Bourbons in government would do if this were passed would be to try enact a law that you cannot run for office in the United States unless you put up a bond or show that you are a rich man. That is what this amendment actually proposes to do. I say whether a man is on relief or not, he is entitled to all his constitutional rights, and this amendment should be defeated if for no other reason than to show that misfortune does not affect any American's civil rights.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. All time has expired. The question is on the amendment offered by the gentleman from South Dakota.

The amendment was rejected.

The Clerk read as follows:

SEC. 15. Hereafter, so far as not inconsistent with efficient administration, all appointments of persons to the Federal service for employment within the District of Columbia, under the provisions of this joint resolution, whether such appointments be within the classified civil service or otherwise, shall be apportioned among the several States and the District of Columbia upon the basis of population as ascertained at the last preceding census.

In making separations from the Federal service, or furloughs without pay to last as long as 3 months, of persons employed within the District of Columbia, under the provisions of this joint resolution the appointing power shall give preference, as nearly as good administration will warrant, in retention to appointees from States that have not received their share of appointments according to population: *Provided, however*, That soldiers, sailors, and marines, the widows of such, or the wives of injured soldiers, sailors, and marines, who themselves are not qualified, but whose wives are qualified to hold a position in the Government service, shall be given preference in retention, in their several grades and classes, where their ratings are good or better.

SEC. 16. The provisions of the act of February 15, 1934 (48 Stat. 351), as amended, relating to disability or death compensation and benefits shall apply to persons (except administrative employees qualifying as civil employees of the United States) receiving compensation from the appropriations in this title for services rendered as employees of the United States and to persons receiving assistance in the form of payments from the United States for services rendered under the National Youth Administration created by Executive order of June 26, 1935: *Provided*, That so much of the appropriation in section 1 of this title to the United States Employees' Compensation Commission, as the Commission, with the approval of the Director of the Bureau of the Budget, estimates and certifies to the Secretary of the Treasury will be necessary for the payment of such compensation and administrative expenses shall be set aside in a special fund to be available and to be administered by the Commission during the fiscal year 1939 for such purposes; and after June 30, 1939, such special fund shall be added to and become part of the "Employees' Compensation Fund, Emergency Relief", set up in accordance with the provisions of the Independent Offices Appropriation Act, 1939: *Provided further*, That said "Employees' Compensation Fund, Emergency Relief" and the special fund herein authorized shall not be limited in its use to the United States, its Territories, and possessions and any payments heretofore made to persons outside the United States, its Territories, and possessions from the special funds set aside to be administered by said Commission, if otherwise valid, are hereby validated: *Provided further*, That this section shall not apply in any case coming within the purview of the workmen's compensation law of any State or Territory, or in which the claimant has received or is entitled to receive similar benefits for injury or death.

SEC. 17. In carrying out the purpose of the appropriations in this title, the Secretary of the Treasury is authorized to prescribe rules and regulations for the establishment of special funds for the Procurement Division, Branch of Supply, Treasury Department, and the Works Progress Administration, in the nature of revolving funds for use, until June 30, 1939, in the purchase, repair, distribution, or rental of materials, supplies, equipment, and tools.

SEC. 18. The provisions of section 3709 of the Revised Statutes (41 U. S. C. 5) shall not apply to any purchase made or service procured in connection with the foregoing appropriation when the aggregate amount involved is less than $300.

SEC. 19. Any person who knowingly and with intent to defraud the United States makes any false statement in connection with any application for any project, employment, or relief aid under the appropriations in this title, or diverts, or attempts to divert or assists in diverting, for the benefit of any person or persons not entitled thereto, any portion of such appropriation, or any services or real or personal property acquired thereunder, or who knowingly, by means of any fraud, force, threat, intimidation, or boycott, or discrimination on account of race, religion, political affiliations, or membership in a labor organization, deprives any person of any of the benefits to which he may be entitled under any such appropriation, or attempts so to do, or assists in so doing, shall be deemed guilty of a misdemeanor and fined not more than $2,000 or imprisoned not more than one year, or both.

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

The clerk read as follows:

Amendment offered by Mr. BARTON: Page 16, line 3, insert a new section as follows:

"PROHIBITED PRACTICES

"SEC. 19-A. (a) It shall be unlawful for any person having power, or representing himself in any manner whatsoever, as having power, to grant or withhold, or to influence the granting or withholding of, benefits from the United States—

"(1) To interfere with, restrain, or coerce any individual in the exercise of his right to vote at any election;

"(2) By discrimination, threatened or otherwise, in regard to the granting or withholding of benefits from the United States to encourage or discourage membership in, or contributions to, any political party;

"(3) To discriminate against any person in regard to the withholding of benefits from the United States because such person has filed charges or given testimony under this Act;

"(4) To discriminate against any individual in regard to the withholding of benefits from the United States because such individual has voted at any election as he saw fit; or against any person because such person is a member of, or has made contributions to, the political party, of his own choosing; or

"(5) To discriminate against any corporation in regard to the withholding of benefits from the United States because any officer or director thereof is a member of, or has made contributions to, the political party of his own choosing.

"(b) It shall be unlawful for any individual having power to grant or withhold benefits from the United States to act as election official, watcher, or in any other capacity at any polling place in any election.

"(c) It shall be unlawful for any person, corporate or individual, who receives any benefits from the United States as herein defined in this Act, to contribute to a political party or any agency thereof for any purpose whatsoever, directly or indirectly, through advertising, sales, discount, or the purchase of campaign books, periodicals, calendars, autographs, or similar devices. The provisions of this subsection shall be in addition to and not in lieu of section 313 of the Federal Corrupt Practices Act.

"PENALTIES

"Any person who violates any provision of this act shall be guilty of a misdemeanor and shall be punished—

"(a) In the case of an individual by a fine of not more than $1,000 or by imprisonment for not more than three years, or both;

"(b) In all other cases by a fine of not more than $25,000."

Mr. BARTON. Mr. Chairman, it seems to me that any Member of the House who voted for the Wagner Labor Relations Act would logically want to support this amendment. The Wagner Act seeks to protect any employee from any political coercion of any sort on the part of an employer. We have in that act protected every employee from every employer except the greatest employer of all, which is the United States Government. This greatest employer is not free from the suspicion that in various parts of the country employment has been withheld or withdrawn because of political considerations. I ask merely that we apply the same philosophy to the United States Government which the Wagner Relations Act has applied to the private employer. It is not a partisan question as I see it. The majority as well as the minority is anxious to take politics out of relief. The way to take politics out of relief is to put a couple of people in jail somewhere as an example to the rest, and then we will have this whole thing cleaned up. I trust the chairman of the committee will regard this as a nonpartisan amendment and that it will be agreed to by the committee.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, of course I do not question the high patriotic purpose of the distinguished gentleman from New York [Mr. BARTON] in offering this amendment, which I heard hurriedly read for the first time at the Clerk's desk. No Member of Congress, I assume, wants to see relief funds used for political purposes or any scandal connected with it if it is possible to keep it out. I am confident that the Administrator, Mr. Hopkins, does not want it. I question, however, whether you would be able to get it all out. Where men are running for office and want to be elected to office, things will just happen. I am in sympathy with the purpose of trying to keep relief as clean as it can be kept. We have in this bill two sections dealing with this subject, section 14 and section 19, the latter a penalty section. The committee framing this legislation had long open hearings. Members of the House of Representatives were welcome to come and make suggestions. Every suggestion made to the committee by Members of the House was carefully considered, and some of them incorporated in the legislation. I submit to the membership of the House here today that it is not possible in an orderly and logical way to write this kind of legislation, without any previous consideration, into a bill of this sort as an amendment under such circumstances as we are under today.

Mr. BARTON. Does not the gentleman feel that my amendment strengthens the provisions already in the bill and would be a step toward the goal that he and all of us want to attain?

Mr. WOODRUM. The amendment certainly sounded fine, but it is a long amendment, it is complex, it is comprehensive. Presenting it for the first time in this way is not in the interest of logical and orderly procedure. It is not possible to consider intricate amendments of this kind under pressure in the limited time we have available today. The committee having in charge the bill has had no opportunity of considering the amendment or of consulting the administrative officials who are to administer this law. This is a relief measure. We are trying to provide jobs for people, and we want to give them to them as quickly as possible. We do not want to inject matters that will slow up the program and cause administrative difficulties that may prevent everything that we are trying to accomplish.

If this amendment were brought on as a piece of substantive legislation where we could sit down and consider it deliberately and amend it the way we wanted to, I might vote for it myself; I probably would; but handling the bill the way we are today, we cannot undertake to amend it by grabbing everything that sounds fine and putting it in.

I hope the amendment is defeated.

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

The question was taken; and on a division (demanded by Mr. BARTON) there were—ayes 48, noes 87.

So the amendment was rejected.

The Clerk read as follows:

SEC. 20. The Works Progress Administrator is authorized to consider, ascertain, adjust, determine and pay from the appropriation to the Works Progress Administration in this title any claim arising out of operations thereunder accruing after the effective date of this title on account of damage to or loss of property caused by the negligence of an employee of the Works Progress Administration or of the National Youth Administration while acting within the scope of his employment: *Provided*, That no claim shall be considered hereunder which is in excess of $500, or which is not presented in writing to the administration within 1 year from the date of accrual thereof: *Provided further*, That acceptance by any claimant of the amount allowed on account of his claim shall be deemed to be in full settlement thereof, and the action of the administrator upon such claim so accepted by the claimant shall be conclusive.

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

Mr. Chairman, this section speaks of damage to or loss of property. Is there any place in this bill or in present law where provision is made for payment of claims for injury to person or loss of life?

Mr. WOODRUM. Section 16 puts the matter under the jurisdiction of the Employees' Compensation Commission.

Mr. BIERMANN. That applies only to persons employed in W. P. A.

Mr. WOODRUM. That is correct.

Mr. BIERMANN. I refer to cases where a W. P. A. employee in the scope of his employment injures a private citizen.

Mr. WOODRUM. There is nothing in the bill except section 16, which has been read.

Mr. BIERMANN. This does not provide for any compensation for personal injury?

Mr. WOODRUM. Not for personal injury; no.

Mr. BIERMANN. Then what redress would a person have who was injured by a W. P. A. employee?

Mr. WOODRUM. A person receiving injury by a W. P. A. employee would, of course, have to have a private bill introduced for his relief.

Mr. BIERMANN. And that would be his only remedy?

Mr. WOODRUM. That would be his only remedy.

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

Mr. WOODRUM. I yield.

Mr. WHITTINGTON. Does section 16 apply to diseases incurred by members of the Civilian Conservation Corps?

Mr. WOODRUM. I think they come under the Employees' Compensation Act, but I do not think it applies to disease; it applies only to traumatic injuries. They are the only ones to which the Compensation Act applies.

The Clerk read as follows:

SEC. 21. Reports of the operations under the appropriations in this joint resolution and the appropriation contained in the Emergency Relief Appropriation Act of 1937, as supplemented, including a statement of the expenditures made and obligations incurred by classes, projects, and amounts shall be submitted by the President to Congress on or before the 15th of January in each of the next two regular sessions of Congress: *Provided*, That such reports shall be in lieu of the report required by section 14 of such act of 1937.

SEC. 22. No part of the funds made available in this joint resolution shall be loaned or granted, except pursuant to an obligation incurred prior to the date of the enactment of this joint resolution, to any State, or any of its political subdivisions or agencies, for the purpose of carrying out or assisting in carrying out any program or project of constructing, rebuilding, repairing, or replanning its penal or reformatory institutions, unless the President shall find that the projects to be financed with such loan or grant will not cause or promote competition of the products of convict labor with the products of free labor.

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

The Clerk read as follows:

Amendment offered by Mr. SAUTHOFF: Page 17, after line 14, insert a new section, as follows:

"SEC. 23. In the expenditure of funds made available by this joint resolution for any public construction project, preference shall be given, wherever possible, to the utilization of materials and supplies purchasable in the locality where such project is proposed to be constructed."

Mr. SAUTHOFF. Mr. Chairman, I want to call attention to this injustice which I think is now being done to the local merchants, the small independent merchants in the communities in which these projects are constructed. Under the usual procedure, the Federal Government calls for bids for vast quantities of materials. The large companies in the big centers bid and get the business. The local merchant in the smaller cities and villages is deprived of that business and cannot in any way get any of it because he cannot compete under those bids.

The difficulty with the local merchant is that he has a hard struggle for existence, particularly against the chains. He is fighting for his very existence. This business would be of considerable value to him in the local community. He is one of those who supports the local community. He pays taxes on his business. He helps support schools and all the civic matters pertaining to his local community. He hires help in that community. Take that business away from him and the first thing you know his help will be out of work and applying for relief.

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

Mr. SAUTHOFF. I yield.

Mr. PHILLIPS. I just wonder why the gentleman has not added, and I say this sincerely, words to this effect: "And in no case shall imported goods or materials be used."

Mr. SAUTHOFF. What does the gentleman mean, foreign importations?

Mr. PHILLIPS. Exactly.

Mr. SAUTHOFF. I would gladly join in that but I know the ruling that would be made, that this would interfere with the reciprocal-trade agreements which I have been fighting ever since I came here; and, therefore, I would not have a chance of getting the amendment through. I do want to give some help and protection to the independent merchant, the little fellow who cannot get a loan from the R. F. C. unless he can show that the collateral he has to offer is good enough to get a loan from his local bank. In spite of the fact that 2½ months have elapsed since that agency has been empowered to make such loans, only $20,400,000 has been granted to date to the little fellow to help him save his business, while applications for three times that much get no consideration. As was well said by one of the columnists recently, "The little fellow is getting the run-around." If you want to help the dealer in your community, here is your chance. He needs our help; he needs the business. Let us help him in his struggle for existence, and thereby also help his employees and his town.

Let us give him whatever local business there is, whatever he can possibly get out of it, and keep him alive. [Applause.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN (Mr. COOPER). Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. Chairman, of course, nobody will take issue with the fact that where these materials can be bought in a local community that should be done. The answer is it is being done. But this amendment goes very much further than that. It provides that all the funds made available in this joint resolution, not only W. P. A. but in the ensuing sections, the heavy construction sections, preference shall be given to local communities, notwithstanding the fact that under the general law we require them to receive competitive bids. In the interest of fair, open trade, and fair, open competition, one section with another, and one place with another, I think it would be a very dangerous thing to write that principle into the law. I do not think the Congress would wish to do that; therefore, I hope the Committee will not write such a broad, comprehensive amendment into the bill.

Mr. SAUTHOFF. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Wisconsin.

Mr. SAUTHOFF. The gentleman will note that in the amendment it is stated "wherever possible."

Mr. WOODRUM. Yes; but the congressional mandate there will be used, and it will be urged upon administrative officials to disregard the low competitive bids and buy goods in local communities because it is a local community. It sounds fine from the standpoint of the citizen of a local community, but it is a dangerous broad policy to write into a bill when we require them, on the other hand, to do these jobs and buy materials on competitive bids where they can be bought in the open market in competition.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SAUTHOFF].

The question was taken; and on a division (demanded by Mr. SAUTHOFF) there were—ayes 36, noes 92.

So the amendment was rejected.

Mr. SAUTHOFF. I offer another amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SAUTHOFF: On page 17, after line 14, insert a new section, as follows:

"Sec. 23. No part of the funds made available in this joint resolution shall be used for a loan or a grant or a loan and grant in the form of (a) money, or (b) work or materials or both, or (c) a project on an amortized lease basis, to any State or Territory or any political subdivision or public body thereof for any public construction project unless oppressive child labor is prohibited in such State or Territory.

"The term 'oppressive child labor' as used in this section is defined as a condition of employment under which (1) any employee under the age of 16 years is employed by an employer (other than a parent or a person standing in place of a parent employing his own child or a child in his custody under the age of 16 years in an occupation other than manufacturing or mining) in any occupation or (2) any such employee between the ages of 16 and 18 years is employed by an employer in any occupation which the chief of the children's bureau shall from time to time find and by order declare to be particularly hazardous for the employment of such children or detrimental to their health or well-being.

"Oppressive child labor is not deemed to exist by virtue of the employment in any occupation of a person with respect to whom the employer shall have on file a certificate issued and held pursuant to the regulations of the chief of the children's bureau certifying that such person is above the oppressive child-labor age. The chief of the children's bureau is to provide by regulation or by order that the employment of employees of or above the age of 14 but under the age of 16 in occupations other than manufacturing and mining shall not be deemed to constitute oppressive child labor if and to the extent that the chief of the children's bureau determines that such employment is confined to periods which will not interfere with schooling and to conditions which will not interfere with the health and well-being."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order against the amendment.

Mr. SAUTHOFF. Mr. Chairman, my object in offering this amendment is to put an end to child labor, for this amendment specifically provides that no State or political subdivision thereof will be entitled to any money herein appropriated unless oppressive child labor is prohibited in that State. Oppressive child labor, I may say, is defined exactly as defined in the wage and hour bill.

Mr. Chairman, we have an opportunity here to vote to put an end to child labor, something we have been attempting to do for over 30 years in this country and have not yet succeeded. We can do it with an amendment of this kind by shutting out States that will not come in under it. Inside of 30 days those States will come under the provision in order to qualify so that they may get some of the money. I know the point will be made that we are going to vote for the wage and hour bill and that this section is contained in the wage and hour bill. That is true, and I will be one of those to vote for that bill. I want to point out, however, that a rumor has been going around today that when the wage and hour bill gets over in the Senate you are going to have the antilynching bill attached to it, and the wage and hour bill will be filibustered to death. This will be the only opportunity, as I see it, to put child labor out of business, which we have been trying to do for so many years in this country.

Mr. MAY. Will the gentleman yield?

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

Mr. MAY. I understand there are some 14 or 16 States that have not yet adopted the amendment to prohibit child labor. Might it not be possible under the gentleman's amendment for three or four of those States to get together and materials would have to be shipped across five or six States to get to a particular location?

Mr. SAUTHOFF. I do not understand the gentleman's question.

Mr. MAY. Suppose 14 States lying in one particular section of the country had not adopted the child-labor amendment and you could not buy materials in those States. Might you not have to ship the materials from the East or the far West?

Mr. SAUTHOFF. If this amendment is adopted, you will have the Governor of the affected State calling a special session because he is not going to lose these millions. The gentleman knows that, and I know it. This amendment is a mighty practical way by which to obtain the child-labor amendment inside of 30 days. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I make the point of order that the amendment on its face undertakes to deal with the subject of the regulation of child labor. It is not germane and is not appropriately to be dealt with in this particular bill.

The CHAIRMAN. Does the gentleman from Wisconsin [Mr. SAUTHOFF] desire to be heard on the point of order?

Mr. SAUTHOFF. Only to this extent, Mr. Chairman, that the section in question refers to the funds and the availability of the funds, and this is all my amendment does.

The CHAIRMAN (Mr. COOPER). The Chair is ready to rule.

The gentleman from Virginia makes the point of order against the amendment offered by the gentleman from Wisconsin that it is not germane, and in support of that point of order directs attention to the scope covered by the amendment.

The Chair has examined the language contained in the amendment and it appears that if the limitation applied solely to the funds for the projects provided for in the bill the position taken by the gentleman from Wisconsin might be sound; but the Chair is of the opinion that the point raised by the gentleman from Virginia to the effect that this amendment would require affirmative child-labor legislation in every State which might not now have such legislation is valid in that such a provision makes the amendment too broad and therefore not germane.

Therefore, the Chair sustains the point of order.

The Clerk read as follows:

SEC. 23. This title may be cited as the "Emergency Relief Appropriation Act of 1938."

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

I want to express briefly my reactions to the Roosevelt depression in relation to the pending pump-priming legislation.

This is a Democratic, Roosevelt depression, panic, or whatever name you care to give it. That is what we have to deal with at this moment and we should not mince words about it.

As a Republican Congressman I am called upon to vote on this proposition. What shall I do as a Republican and a Member of Congress, responsible for my actions in regard to this crisis in the affairs of our country?

To start with, we all know that the President and the Democratic Congress have miserably failed in these past 6 years to restore prosperity and bring about recovery. Pump priming has failed of lasting results and proved only a shot in the arm. The usual reaction has followed such a policy and we find ourselves about where we were in March 1933, with something like twelve or fifteen million walking the streets in vain begging for jobs they cannot find.

What do we owe to the people in this matter? What do we owe to the unemployed and those who know not where to seek bread for themselves and their children?

As to the people, is it not the penalty of their carelessness in almost unanimously thrusting overwhelming power into the hands of the Democratic Party which has miserably failed to bring recovery, to pay for their actions? Less than 2 years ago the electoral vote of 46 States voted to keep the "old fiddler," and why now should they not pay the "fiddler?" Surely the millions of unemployed are not entirely to blame. They too may have voted wrong, but we must not let them starve in the richest country on the earth. We must all pay for this even if it is not our fault. The unemployed should not suffer because the Democratic Party or its executive leaders have not possessed the creative and constructive ability to deal with this depression, but in fact have created a new depression by reason of their ignorance and duplicity which have destroyed the confidence of the business world in our national leadership and unsound legislation of the New Deal. We will have no recovery until private business puts men back on the pay roll and keeps them there; but the Democratic Party has, like the old Bourbons, learned nothing and forgot nothing, and are proceeding to repeat the same old blunders which have paralyzed industry and business and produced the twelve or fifteen millions of unemployed.

One of the reasons why one might refuse to vote for this measure is that when it is passed the Democratic Party will practically appropriate these billions to elect a Democratic Congress. There has not been a more disgraceful page in the political history of our country than the brazen effrontery of the Democratic Party in using public money for political purposes; and what blacker political crime could stain the record of any party than corrupting the elections at the expense of the Public Treasury?

These funds will not only be utilized against Republicans, but also against patriotic Democrats who have dared to oppose the grasp for arbitrary power by the executive department and the corruption of the courts by Executive interference.

In spite of all these objections and the further enlargement of the public debt it yet remains that in this time of desperate need of the unemployed and destitute it appears as a public duty to extend relief to those in dire need. [Applause.]

The Clerk read as follows:

TITLE II—PUBLIC WORKS ADMINISTRATION PROJECTS

SEC. 201. (a) In order to increase employment by providing for useful public-works projects of the kind and character which the Federal Emergency Administrator of Public Works (herein called the "Administrator") has heretofore financed or aided in financing, pursuant to Title II of the National Industrial Recovery Act, the Emergency Relief Appropriation Act of 1935, the Emergency Relief Appropriation Act of 1936, or the Public Works Administration Extension Act of 1937, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until June 30, 1940, the sum of $965,000,000, to be expended by such Administrator, subject to the approval of the President, for (1) the making of allotments to finance Federal projects, or (2) the making of loans or grants, or both, to States, Territories, possessions, political subdivisions, or other public bodies (herein called public agencies), or (3) the construction and leasing of projects, with or without the privilege of purchase, to any such public agencies.

(b) No funds appropriated under this title shall be allotted for any project which in the determination of the Administrator cannot be commenced prior to January 1, 1939, or the completion of which cannot be substantially accomplished prior to June 30, 1940.

(c) Under subsection (a) (1) of this section not to exceed $100,000,000 shall be allotted to Federal agencies for Federal construction projects in continental United States outside the District of Columbia, and such projects shall be selected from among the following classes: (1) Projects heretofore authorized by law and for the acquisition of land for sites for such authorized projects; (2) projects for the enlargement, extension, or remodeling of existing Federal plants, institutions, or facilities; (3) projects for new hospitals and domiciliary facilities of the Veterans' Administration (including the acquisition of land for sites therefor) and any such allotments shall be available for the purposes and under the conditions specified in the appropriation for "Hospitals and domiciliary facilities" in the Independent Offices Approriation Act, 1939; and (4) projects for new penal and correctional facilities under the Department of Justice, including the acquisition of land for sites therefor: *Provided*, That none of such allotments shall be made for military or naval purposes except for the housing of personnel or for storage of material, supplies, and equipment at existing establishments.

(d) No grant shall be made in excess of 45 percent of the cost of any non-Federal project, and no project shall be constructed for lease to any public agency unless the Administrator shall determine that the nonrecoverable portion of the cost of such project shall not exceed 45 percent of the cost thereof.

(e) In the event that, due to constitutional limitations, any State, Territory, possession, political subdivision or other public body shall be unable to participate by way of loan and grant in the benefits of this title, the Administrator, with the approval of the President, may advance moneys to any such public agency upon agreement by such public agency to pay back in annual installments, over a period of not to exceed 25 years, at least 55 percent of the amount so advanced with interest thereon for the period of amortization.

(f) Not more than $750,000,000 of the funds appropriated under this title shall be used for grants, or for defraying the estimated nonrecoverable portion of the cost of projects constructed for lease to public agencies.

(g) Not more than $11,000,000 of the appropriation in this title shall be available for administrative expenses of the Administration during the fiscal year ending June 30, 1939; such amount and the amount made available in the Independent Offices Appropriation Act, 1939, for administrative expenses for the Federal Emergency Administration of Public Works shall be

available for administrative expenses thereof during such fiscal year for the purposes and under the conditions set forth in such act for such Administration, except that the condition therein that such administrative expenses are in "connection with the liquidation of said Administration" is hereby rescinded and both amounts are hereby made available, in addition to the other purposes, for the purchase and exchange of motor-propelled passenger-carrying vehicles for official use in field work and in the District of Columbia in a total amount not to exceed $75,000 but not more than $1,500 thereof shall be so expended for such purchase and exchange for use in such District. And the Administrator shall reserve from the appropriation in this title an adequate amount for administrative expenses of the Administration for the fiscal year ending June 30, 1940, for the completion of the activities of such Administration subject to authorization hereafter by annual appropriation acts for the utilization thereof.

(h) Not more than $500,000,000 shall be used, from the moneys realized from the sale of securities acquired with funds made available by this title or with the proceeds of such securities for the making of further loans hereunder.

(i) No Federal construction project, except flood-control and water-conservation projects now under actual construction, shall be undertaken or prosecuted under the appropriation in this title unless and until there shall have been allocated and irrevocably set aside Federal funds sufficient for its completion; and no non-Federal project shall be undertaken or prosecuted under the funds made available by this title unless and until adequate provision has been or will be made for financing such part of the entire cost thereof as is not to be supplied from Federal funds.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 30 minutes.

Mr. TABER. Reserving the right to object, Mr. Chairman, I believe this important section ought to have at least 45 or 50 minutes.

Mr. WOODRUM. I will compromise. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 40 minutes.

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

There was no objection.

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

The Clerk read as follows:

Amendment offered by Mr. BACON: On page 21, line 19, after subsection (i), insert a new subsection as follows:

SUBSEC. (j). None of the funds appropriated in this act shall be expended on projects which would provide competition by Federal or public agencies with private business or enterprise.

Mr. BACON. Mr. Chairman, this amendment simply provides that no projects may be adopted which will place the Federal Government in competition with private business enterprises. This is a relief bill, and it is not a relief measure if you let the Federal Government establish projects which will put private enterprises out of business and thereby create unemployment. I submit that if any public body wishes to engage in some business it can go to the Reconstruction Finance Corporation, under the bill we passed a little while ago, and borrow 100 percent of the money required for that purpose. No public body ought to start in competition with a private enterprise and have a 45 percent gift or grant to start with. That is absolutely unfair competition, and it has no place in a relief bill. I sincerely hope that if the House believes the Government should not compete with its own citizens with the taxpayers' money, and particularly with a grant of 45 percent, the Members will vote for this amendment.

If the amendment is defeated it means that the majority party of the House of Representatives believes the Federal Government should compete with its own private citizens with the taxpayers' money.

Mr. RAMSPECK. Under the gentleman's amendment, how would public buildings be constructed? You would be competing with private business.

Mr. BACON. A schoolhouse does not compete with private business.

Mr. RAMSPECK. But the construction is competitive.

Mr. BACON. This has nothing to do with construction. I say the project itself must not compete with private business or enterprise.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair may state that a list was made of gentlemen seeking recognition at the time the limitation was placed on debate, and the time available will entitle each gentleman listed to 3 minutes. Without objection, recognition will be accorded for 3 minutes.

There was no objection.

Mr. COCHRAN. Mr. Chairman, the amendment of the gentleman from New York is very far-reaching. I am just as anxious as the gentleman is to keep the Government from competing with private business, but if the gentleman's amendment carries you will find there can be no grants to municipalities or States or to a penal institution that wants to construct its own power plant. My State wants to increase the size of its power plant in the new penitentiary. Under this amendment it could not be done.

There are other improvements my State wants to make where the money is available to go ahead with the work, and you would deny my State to install power plants in connection with State institutions. If you will study this amendment you will understand how far-reaching it is. For instance, you could not repair or increase the power plants in any Government penal institution. I might vote for an amendment of this kind if it did not go so far.

Now, Mr. Chairman, I want to call to the attention of the Committee a situation that I feel something should be done to correct.

In this bill you have, and very properly so, a provision for appropriations for public buildings. Scattered all over Washington, in many independent agencies and every Government department, is a building division. One of the objectives of the reorganization bill was to put them all under one head. Where are the provisions in this bill which will see the Public Works Administrator constructs the public buildings immediately and that their construction does not extend over a long period of time?

Mr. WOODRUM. There is a specific provision in the bill that construction must be started before January 1. It is a mandatory provision that the buildings must be started before January 1.

Mr. COCHRAN. Suppose you give a large amount of money to the Veterans' Administration to provide for construction work. The Veterans' Administration has a small building organization. Naturally they want to keep that organization working as long as they can. The result is they go along slowly with their construction work. Additional facilities are needed for veterans, an emergency exists in my city and many other localities. If the Procurement Division is called in they can help get this work started long before January. They have the organization set-up now, under the old law.

The Procurement Division at my request offered to put its force to work on the projects of the Veterans' Bureau so they could get going immediately and help labor at once, but the Veterans' Bureau would not accept the assistance. I feel provisions should be made in this bill so that someone would have authority to say, "If you cannot get this work started at once, call on the Procurement Division that has an organization that can get it started for you."

ADDITIONAL PENAL INSTITUTIONS

Mr. Chairman, I am glad to see that the committee has included specific provision for the construction of additional penal and correctional institutions under the Department of Justice. The Federal prison system has been required to carry an ever-increasing load without being provided the necessary facilities. Congress is continually passing new Federal criminal legislation and broadening Federal jurisdiction without making provision for the incarceration of those convicted in Federal court.

I am told that the Federal prison population is today the highest it has ever been in the history of the country. The population of all the Federal penal institutions is now about 17,250; whereas, a year ago it was about 1,000 less, and 5 years ago it was 5,000 less than it is today. The result is

that almost all of the Federal prisons are now greatly overcrowded. The Leavenworth Penitentiary, for instance, which has a normal capacity of about 1,800, as I recall it, now has a population of slightly more than 3,000. The same thing is true at Atlanta and several of the other Federal penitentiaries. Also, the Department of Justice has never been able to turn back to the War Department the old Army disciplinary barracks at Leavenworth, which it took over during prohibition days. I notice, moreover, in the hearings on the Justice bill that there had been an increase of nearly 40 percent in the commitments to the Federal institutions during the last 3 years for such crimes as bank robbery, kidnaping, and extortion. The building of Federal prisons has not kept pace with the tendency to shift crime control to the Federal Government. Something needs to be done very shortly to relieve the serious situation facing the prison system.

I understand that the Prison Bureau has submitted to Congress statements showing that their estimated needs for new prison construction during the next 2 years total approximately $15,000,000. I realize that there are many desirable Federal-construction projects which the P. W. A. will have to consider when allocating these funds, but few of them will be more important than providing additional facilities for the prison system. We must find some way to take care of the increasing Federal-prison population; and if it is not done under the terms of this bill, it will have to be done out of regular appropriations. You can be certain that there will be no waste of Federal money or construction of buildings not absolutely necessary if it is used to add to our prison facilities.

Again I congratulate the committee for giving consideration to this problem and urge those in charge of the allocation of this money to review the report of the Director of the Bureau of Prisons and the testimony which has been submitted to Congress by him on the need for additions to the prison system and give their needs every consideration. [Applause.]

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

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. UMSTEAD: On page 19, after line 18, strike out all of subsection (e).

Mr. UMSTEAD. Mr. Chairman, the amendment which I have offered strikes from the bill subsection (e) at the bottom of page 19, which reads as follows:

In the event that, due to constitutional limitations, any State, Territory, possession, political subdivision, or other public body shall be unable to participate by way of loan and grant in the benefits of this title, the Administrator, with the approval of the President, may advance moneys to any such public agency upon agreement by such public agency to pay back in annual installments, over a period of not to exceed 25 years, at least 55 percent of the amount so advanced with interest thereon for the period of amortization.

I offer this amendment reluctantly because I am a member of the committee from which this bill has been reported. I offered it in the committee and I do so now in order that the record may be kept straight. The section which I seek to strike from this bill, in my judgment, is a legislative device for the purpose of inviting, inducing, and seducing the State governments and local units of government to violate the fundamental law of the commonwealths of this country.

In the 3 minutes to which I am limited I cannot do much more than to place upon the conscience of every man within the hearing of my voice the rather serious responsibility of inviting the local units of Government and every official thereof in the several States of the Union to violate their own constitutional limitations. It was explained to the Committee as being a lease-purchase proposition, whereby the Federal Government could build a project if the State or local unit had reached its constitutional limitation upon the incurrence of debt; bear all of the cost and lease the finished work to the officials of State or local units of government under a lease-purchase contract which, if you please, is just as much a violation of State constitutional limitations as would be a straight out unauthorized loan.

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

Mr. UMSTEAD. Pardon me; not now.

What will you do when the Federal Government builds a street in the heart of a city and leases it on a sales contract-purchase plan to the city in which it is built? You know the payments will not be made. The preceding paragraph requires the Administrator to find as a fact that 55 percent can and will be returned to the Federal Government. Such a requirement, in the face of subsection (e), is a ridiculous and absurd proposition because the officials of a town or of a county or of a State entering into an unlawful contract would have no legal means of binding their successors to carry out and fulfill that contract.

I call upon the Members of this House, upon the ground of good morals and legislative decency, to strike this section from the bill and not tear down the last barrier of local government and the sanctity of State laws. [Applause.]

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, earlier in the afternoon I discussed the very amendment that has been offered by my friend the gentleman from North Carolina [Mr. UMSTEAD], I alluded at that time to the fact that tomorrow will be the sixty-eighth anniversary of the adoption of the Constitution of the State of Illinois. It contains a debt limitation. It is couched in language which says that in no manner and for no purpose shall county, city, township, or school district officials incur a debt greater than 5 percent of the taxable value. It uses the language "in no manner and for no purpose."

Now, there comes a provision in the pending bill which seeks to torpedo the constitution of my State like it would the constitutions of 80 percent of the other States, and thereby engage in a kind of circumventing device through agreement or through lease with the Administrator of the Public Works Administration.

I would not care to vote for that. It looks a little unmoral to me. It looks like impairing the collective conscience of the country when we do it, and I should be very reluctant when this congressional session adjourns pretty soon to go back to my people and go on the hustings this summer and this fall and have to confess publicly to them that without some effort to have it deleted from the bill, I voted and sustained a proposition that deliberately flouted the constitution and the expressed will of the people when they ratified that constitution in 1868. Eighty percent of you gentlemen are in the same identical fix, and my friend from North Carolina was not stretching the point too much when he said he was charging your conscience when you come to vote on the amendment to eliminate and delete from this bill paragraph (e) which is the subject of the pending amendment.

I sincerely hope the amendment will be supported and agreed to.

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

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

Mr. McCORMACK. Furthermore, what obligation is there on the part of a county or a city or a town that obtains a loan by an ultra vires act with respect to their power to do so, to pay back such loan?

Mr. DIRKSEN. There is none; and in the meantime we simply prejudice a project which is tied up with various legal questions and legal fees, as anyone who has served on a board of local improvements well knows. I, for one, do not want to be a party to that kind of procedure. I therefore hope the amendment of my friend, the gentleman from North Carolina, will be supported and adopted.

The CHAIRMAN. The time of the gentleman from Illinois has expired. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. WOODRUM) there were—ayes 77, noes 63.

Mr. WOODRUM. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. WOODRUM and Mr. UMSTEAD to act as tellers.

The Committee again divided; and the tellers reported—ayes 86, noes 90.

So the amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. MAY: On page 18, line 19, strike out "$100,000,000" and insert "$185,142,456".

On page 18, line 23, strike out the words "heretofore".

On page 19, line 11, after the word "storage", insert "or operation".

On page 19, line 12, after the word "establishments", strike out the period and insert a colon and the following language: "*Provided*, That of said sum, $85,142,456 is hereby allocated to the War Department to be expended by and under the direction and supervision of the Secretary of War for the construction, rehabilitation, and improvement of housing and hospitalization facilities, utilities, storage, and operation facilities at Army posts in the order of their priority as established by the Secretary of War".

Mr. MAY. Mr. Chairman, I do not have an Army post in my district, not even a National Guard armory. This amendment does not increase this appropriation in the least. It merely allocates to the War Department a sum additional to that included in the bill for Federal projects. It is my purpose by this amendment to undertake to remove from the Army of the United States the slums, and to take care of the underprivileged, you might say, private soldiers who are living in shacks in hundreds of posts throughout the country and receiving $21 a month for their services. The amendment will provide a fund that will take care of obligations that this Congress has had imposed upon it by the Constitution.

The first thing in the Constitution in Article I, subsection 8, is a direction to the Congress to provide and maintain an army and navy for the common defense. Unless this money is allocated now, we will be called upon in years to come to appropriate it in order to rehabilitate these army camps that are in desperate condition. This is a program of Federal expenditure upon durable items of value to the Federal Government. These items are all necessary at this time, and they would be requested in future estimates for appropriations as fast as budgetary conditions would permit. They are nonrecurrent, and thus are a definite saving in future appropriations. They furnish employment both on the job and to industry, particularly to those industries manufacturing building material. The War Department has the organization now to set the funds to work. It has many of the plans ready. Much of the work can be started within 30 days, and it is believed that all of the program can be completed within 1 year. The distribution is country-wide and affords relief in many localities.

Millions of dollars of army equipment and material, including airplanes now inadequately sheltered or serviced will be better protected. It will be a great step in affording decent housing to men who will wear the uniform of the United States for years to come—a great uplifting step for the morals and the morale of the Army.

My purpose in presenting this is to save money for the Government, and while we are spending this four and a half billion dollars I want to see some of it expended for the men who wear the uniform and carry the flag. The annual cost of maintenance alone on temporary buildings constructed during the World War amounts to 50 percent of their commercial value.

Mr. MURDOCK of Arizona. If it is not done by your amendment, what are the chances of its being appropriated and the matter being taken care of in a later bill?

Mr. MAY. I do not know what the chances are. If we spend all of this I doubt if we would get any more very soon. If we should be so unfortunate as to get into war we would be immediately under the necessity of erecting new buildings at wartime prices.

Mr. TERRY. Mr. Chairman, I rise in support of the amendment offered by the chairman of the Committee on Military Affairs, the gentleman from Kentucky, Mr. MAY. Last year the Military Affairs Committee after careful consideration and long study reported out a bill for Army construction amounting to $162,000,000. In the retrenchment program of last year, that amount was cut down, and an appropriation bill of only $25,000,000 passed the Congress. We need more accommodations for the Army of the United States. In the hearings on the deficiency appropriation bill it is shown that the Army of the United States has been raised from 118,000 men a few years ago to a force of 165,000 men now. In addition to that, we have increased the air force of the country more than 7,000. It is shown by the hearings that the barracks in which the soldiers are housed now are mainly those war cantonments built in 1917. The hearings show that it costs annually about 25 to 50 percent of the value of those old buildings to maintain them.

Mr. Chairman, if we give the Army the quarters the soldiers need it will be carrying out the President's program of giving work and jobs to the building trades. We have been trying to stimulate the heavy industries of the country. If you allow this program of increased barracks and facilities for the Army you will be scattering over the whole United States a program that will give this desired stimulation.

The money spent on the barracks under this Works Program will save appropriations in the years to come for these purposes. This is a splendid opportunity to give the Army of the United States approximately the housing facilities that it needs and at the same time carry out this building program for the country as a whole.

[Here the gavel fell.]

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

The CHAIRMAN. The gentleman from Virginia is recognized for 3 minutes.

Mr. WOODRUM. Mr. Chairman, I hope you understand that if you vote for this amendment offered by the gentleman from Kentucky that you take $85,000,000 that would otherwise go to your P. W. A. projects for schools, bridges, or streets and freeze it for Army posts. I do not imagine you want to do that.

We have in this bill a very liberal provision. We have provided that not exceeding $100,000,000 of these funds may be allocated for Federal projects which have heretofore been authorized by Congress; and that is as far as you ought to go. You ought not to turn any agency loose to build projects that have not been passed upon by the Congress.

Something like $20,000,000 of Army projects have been approved by the Congress. These projects will be eligible for consideration by the President in allocating funds to Federal projects. If, however, you adopt the amendment offered by the gentleman from Kentucky you not only take $85,000,000 from your other projects and freeze it for Army projects but you take it away from projects you have authorized. Instead of this being a work relief program it will turn into a national defense program.

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

Mr. WOODRUM. I yield.

Mr. MAY. Does the gentleman mean to say that with Army posts building houses all over this country in 48 different States it will not help business and industry and provide employment?

Mr. WOODRUM. I think that would be of some help. I must confess I feel sympathetic toward the gentleman's proposition. He knows I have stood here and fought for things with him; but I hope you will go along with the committee and not tie up this vast amount of funds in this way.

[Here the gavel fell.]

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

The question was taken; and on a division (demanded by Mr. MAY) there were—ayes 53, noes 86.

So the amendment was rejected.

Mr. TAYLOR of Tennessee. Mr. Chairman, I move that the Committee do now rise.

The motion was rejected.

Mr. THOMASON of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMASON: Page 18, line 24, after the word "project" add the following: "priority being hereby given to those projects mentioned in Public, No. 394, Seventy-fifth Congress, and situated in continental United States."

Mr. THOMASON of Texas. Mr. Chairman, I anticipated the result of the last vote that was cast on the amendment offered by the gentleman from Kentucky. The truth is I find myself pretty well in accord with the views expressed by the gentleman from Virginia regarding the principle involved. I was pleased to note that the gentleman from Virginia stated that there are approximately $20,000,000 in authorizations already in the law for new Army construction and that these projects are all eligible. My amendment seeks to make this a little stronger than just saying they are eligible, and gives these projects a priority status.

I remind the Members that at the last session of Congress after the subcommittee of the Committee on Military Affairs, of which I happen to be chairman, gave several months of careful consideration to Army housing, and after the Budget had approved it, and after the Committee on Military Affairs had unanimously adopted it, this House, without a dissenting voice, passed the bill authorizing new construction at about 40 of the posts in continental United States.

That bill passed the Senate without opposition and is now the law and authorizes new construction in continental United States the sum of $19,217,356. May I add that the War Department advises me the plans and specifications for every one of the projects covered by that act have been prepared and bids could be asked for tomorrow. This means work for every State in the Union. It means the sale of large quantities of material. It means the improvement of Army posts that are in a dilapidated and disgraceful condition.

If you want to give immediate employment to thousands of men, if you want to put these Army posts in proper condition, there is nothing to do but adopt the amendment I have offered in order that there may be some priority under this particular section. It does not increase the appropriation covered by section C one single cent. It does not take one single penny away from the schools, bridges, hospitals, and other things that have been mentioned. The only thing it does is to make it certain that this needed improvement can start at once and our Army be properly housed.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. THOMASON].

Mr. Chairman, this amendment would establish a priority for Army projects. That is, it would put Army projects and Army posts above veterans' hospitals, above fish hatcheries, above Coast Guard stations, and above every other sort of Federal project that might be entitled to consideration under this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. THOMASON].

The amendment was rejected.

Mr. FISH. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 18, lines 5 and 6, after the word "Administrator" strike out "subject to the approval of the President."

Mr. FISH. Mr. Chairman, what has happened to those brave warriors who a week ago announced through the press that they proposed to earmark all these relief and public works appropriations? What has happened to them? They have gone with the emergency wind.

Mr. WOODRUM. Will the gentleman yield?

Mr. FISH. I cannot yield.

Mr. WOODRUM. This provision has always been in the law.

Mr. FISH. I am talking about all of these appropriations. Those happy warriors remind me, Mr. Chairman, of the gentleman from Minnesota and the gentleman from Montana who marched bravely up the hill to Jersey City and then marched back down again a little more rapidly. [Laughter and applause.]

The passage of this bill conferring upon the President the control over the expenditure of $4,000,000,000 undoes the good work accomplished by the American people in defeating the reorganization bill. They opposed that bill because they did not believe in granting any additional power to the President to establish a one-man or super government. This bill confers 10 times as much power on the President as the reorganization bill. In a few minutes it is utterly impossible to give the reasons why I propose to vote against this further grant of power involving four billions. May I say that I intend to vote for the motion to recommit in order to turn the relief money over to the States for distribution on a nonpartisan basis. On the final passage of the bill I expect to vote against it for one main, fundamental reason. I do not want to stultify myself by surrendering, abdicating, and delegating away control of the purse strings. That is the main reason for the existence of the Congress. If you vote away that constitutional power over appropriations there is nothing left. That is the main legislative power of the Congress and when you delegate away control of the purse strings to the President, we will have no more legislative power left than Ghandi has clothing.

Mr. Chairman, I know there is nothing I may say to stop the steam roller. It is all oiled up for political purposes. It is ready to crush all opposition and prime the election pump, but in doing so you are not merely destroying minority rights, you are destroying the fundamental rights and privileges of this House; you are surrendering control over the purse strings and that responsibility rests upon the majority party for undermining representative and constitutional government in the United States. [Applause.]

[Here the gavel fell.]

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

The amendment was rejected.

Mr. LEWIS of Colorado. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LEWIS of Colorado: Page 19, line 10, after the word "housing" insert "or hospitalization."

Mr. LEWIS of Colorado. Mr. Chairman, this is purely a clarifying amendment. A number of Members of the Appropriations Committee have assured me they believe that the expression "housing of personnel" includes "hospitalization of personnel" and that such was their intention. But there may be some doubt. I submit therefore that this is simply a clarifying amendment and that this amendment should be adopted to place the matter beyond any doubt or question.

Mr. WOODRUM. Mr. Chairman, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. LEWIS].

The amendment was agreed to.

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

The Clerk read as follows:

Amendment offered by Mr. BIERMANN: Page 18, line 26, beginning with "(3)" strike all down to and including the semicolon in line 6, page 19.

Mr. BIERMANN. Mr. Chairman, the effect of my amendment will be to strike out the appropriation for new veterans' hospitals. I know it is the inclination of Members to vote for this clause because they think they are doing a service to the veterans. The fact, is as many of you veterans know, they are doing a disservice to the veterans.

We should stop adding to the general hospital facilities for veterans. We should give them abundant special hos-

pital facilities, like cancer hospitals, tubercular hospitals, and mental hospitals. The general hospital facilities of communities in which the veterans live should be utilized fully before we appropriate more money for general hospitals for veterans.

When I offer this amendment I am proposing a service not only to the pocketbook of Uncle Sam but to the veterans themselves and to the multitude of communities in the United States where the churches or the communities themselves or some other public-spirited bodies maintain local hospitals. My contention is that if we ever do the right thing regarding general hospitalization for veterans we will hospitalize the veteran in his own home town, where he can pick out his own doctor and his own nurse and can have his family and his friends visit him. He cannot do that if we continue to build general hospitals and add new hospital facilities of a general nature so the veterans will be dragged away from their own homes to hospitals 200 miles away, where they cannot be visited by their own friends and families, and where they go under the care of doctors and nurses who never saw them before.

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

Mr. BIERMANN. I yield to the gentleman from Illinois.

Mr. KELLER. Is it good medical practice to have a man visited all the time when he is sick? I thought hospitals kept people away from him.

Mr. BIERMANN. I am not a doctor, and I cannot answer that question.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. Would the gentleman's amendment carry more funds for special hospitals?

Mr. BIERMANN. It would eliminate this provision from the bill entirely. It would save relief money for other purposes. There is another appropriation bill that provides for veterans' hospitals. My effort is to point out how mistaken is the idea that the more money you vote for veterans' hospitals the more kindness you are showing the veterans. You are not only hurting the veteran but you are hurting the community from which the veteran comes.

Mr. MURDOCK of Arizona. I would be willing to look toward minimizing general hospitalization, if that means voting for more special hospitals or enlarging existing facilities with special climatic conditions such as the hospital at Tucson.

Mr. BIERMANN. Vote for this amendment and make a start in that direction.

[Here the gavel fell.]

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

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 17, line 19, down to page 21, line 18, strike out all of section 201.

Mr. TABER. Mr. Chairman, the purpose of this amendment is to strike the P. W. A. out of the bill. It is not an item for relief and we all realize it. It is not an item for the relief of unemployment but something that will not put people to work in any substantial number prior to the 1st of January.

There is a program on the part of certain dreamers to have the United States spend $3,000,000,000 a year over a period of 10 years. This is a part of that program. It is sponsored by the National Resources Board and appears in the blue book I have on the top of the desk over there. This means $30,000,000,000 more debt and it means financial disaster to America. Let us put the brakes on while we can. Regardless of how much we may like to have these projects in our territory, let us have patriotism enough to turn this program down and stop the construction of projects we cannot afford and whose building will run us deeper and deeper into debt and our localities deeper and deeper into debt without providing relief at all.

Mr. Chairman, I hope the Committee will adopt this amendment.

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

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 28, noes 91.

So the amendment was rejected.

The Clerk read as follows:

SEC. 202. The Federal Emergency Administration of Public Works is hereby continued to the close of the fiscal year ending June 30, 1940, and is hereby authorized to continue to perform all functions which it is authorized to perform at the date of enactment hereof. All provisions of law existing on the date of enactment hereof, and relating to the availability of funds for carrying out any of the functions of such Administration, are hereby continued to the end of such fiscal year, except that the date specified in the Emergency Relief Appropriation Act of 1936, as amended by section 201 of the Public Works Extension Act of 1937, prior to which, in the determination of the Administrator, projects for which moneys made available by such act were authorized to be granted, can be substantially completed is hereby changed from "July 1, 1939" to "July 1, 1940."

SEC. 203. That portion of section 203 of the Public Works Administration Extension Act of 1937 which reads as follows is hereby repealed: "; and after the date of the enactment of this joint resolution no allotment shall be made by the Administrator for any project the application for which has not been approved by the examining divisions of the Administration prior to such date."

SEC. 204. Section 206 of the Public Works Administration Extension Act of 1937 is hereby amended to read as follows:

"SEC. 206. No new applications for loans or grants for non-Federal projects shall be received or considered by the Administration after August 31, 1938: *Provided*, That this section shall not apply to applications amendatory of applications for projects received prior to August 31, 1938, and such applications shall be confined to projects which, in the determination of the Administrator, can be started and completed within the time limits specified in section 201 (b) hereof."

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 22, line 26, strike out the word "hereof" and insert "of the Public Works Administration Appropriation Act of 1938."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the further committee amendment.

The Clerk read as follows:

Committee amendment: On page 22, line 19, strike out the words "or considered."

In line 20, strike out "August 31" and insert in lieu thereof "September 30."

In line 22, strike out "August 31" and insert "October 1."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 205. This title may be cited as the "Public Works Administration Appropriation Act of 1938".

Mr. BOILEAU. Mr. Chairman, I move to strike out the last word in order to ask the gentleman from Virginia whether or not it is the intention of the committee to offer an amendment on rural electrification?

Mr. WOODRUM. Yes; it is.

Mr. BOILEAU. Will that amendment be offered to the last title?

Mr. WOODRUM. Yes.

The Clerk read as follows:

TITLE III—FEDERAL PUBLIC BUILDINGS

SEC. 301. Construction of Public Buildings Outside the District of Columbia: The total amount authorized to be appropriated for the 3-year program for the acquisition of sites and construction of public buildings by the paragraph under the caption "Emergency Construction of Public Buildings Outside the District of Columbia", contained in the Third Deficiency Appropriation Act, fiscal year 1937, approved August 25, 1937 (50 Stat. 773), is hereby increased from $70,000,000 to $130,000,000. All applicable provisions and authority of such paragraph shall be operative with respect to the enlarged authorization provided in this title except that the list from which projects, including the sites therefor, are to be selected by the Postmaster General and the Secretary of the Treasury acting jointly shall be the revision, dated April 25, 1938, of House Report No. 1879, Seventy-third Congress. Toward such increased program there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $25,000,000, of which not to exceed $500,000 may be utilized as an

addition to the fund specified in such paragraph in such act for the augmentation of the limits of cost of selected projects in amounts not exceeding 10 percent of such limits of cost. The appropriations heretofore made under the authority of such paragraph, together with the appropriation in this title, shall be consolidated into a single fund and be available toward the consummation of the entire authorized program.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word in order to ask a question of the chairman of the committee. Is it under this section that it is contemplated, as I have read, although I have not been officially so informed, that one or more public buildings are to be erected in every congressional district in the Union?

Mr. WOODRUM. It is not just exactly as the gentleman has stated it. The purpose is to enlarge the program for Federal public buildings by the sum of $60,000,000. The Procurement Division has testified before the committee that with this additional fund they can take care of certain major projects which are very much needed in large areas of the country and, in addition, be able to reach out for smaller projects in congressional districts where there are projects eligible under the rule under which they operate.

Mr. WADSWORTH. Can the gentleman state to the House whether in his judgment—I suppose he cannot give a final opinion—actually under this section we are going to see the spectacle of one or more Federal buildings put up in every congressional district in the Union?

Mr. WOODRUM. I cannot subscribe to the gentleman's appellation of "spectacle."

My friend will recall the fact that the present method of erecting Federal public buildings was inaugurated under the administration, I believe, of Mr. Coolidge, a Republican administration, many years ago when we got away from the old "pork barrel" method and established an interdepartmental committee composed of the Secretary of the Treasury and the Postmaster General that surveyed the building needs of the Government and made up an eligible list of places where there was economic justification for the construction of public buildings when we could get to it and had the funds. Under preceding administrations we have from time to time appropriated lump sums that have been applied to this program of constructing utilitarian buildings in this country. There are now some 2,700 projects, and my friend and colleague the gentleman from New York [Mr. BACON] has 14 communities in his district that are eligible for public buildings. Some districts have no places where they need Federal housing facilities. The thought of the committee was that if we are going to have construction of Federal public buildings, this would be a good way to spread the building activities out in the country and at the same time accomplish the purpose of the bill, which is to help the building industry and help trade generally.

Mr. WADSWORTH. The general purpose, too, being to spread the money where it will do the most good.

Mr. WOODRUM. That is the purpose.

Mr. WADSWORTH. I am rather amazed, in view of the prospect of the First Congressional District of New York, that the gentleman from New York [Mr. BACON] intends to vote against the bill.

Mr. WOODRUM. I am surprised at that. I thought the gentleman would vote for the bill.

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

Mr. WOODRUM. I yield.

Mr. BACON. Although I have more eligible projects in my district than in any other congressional district in the United States, the gentleman will agree that I voted against this title in committee.

Mr. WOODRUM. I do that, but I am also happy in the thought that the gentleman voted against it knowing he would get his Federal buildings. [Laughter.]

Mr. GRAY of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAY of Pennsylvania: On page 24, after line 4, insert a new section, as follows:

"SEC. 301 (a). No one shall be denied employment under the provisions of this act because he is not registered on the relief rolls of any State."

Mr. WOODRUM. Mr. Chairman, I make the point of order against the amendment that it is not germane. We have passed that section of the bill.

Mr. GRAY of Pennsylvania. The amendment would apply to the entire bill.

The CHAIRMAN (Mr. WARREN). However, the gentleman from Pennsylvania has offered the amendment to this particular title. The amendment is not germane to this title, and the Chair therefore sustains the point of order.

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

Mr. Chairman, I have offered this pro forma amendment to pay a well-deserved tribute to one of the finest men in the Federal service. I refer to that fine gentleman, Mr. Smith Purdum, Fourth Assistant Postmaster General, who has charge of the erection of public buildings by the Federal Government for postal quarters. [Applause.] Mr. Purdum is a service employee, one who started in the Postal Service many years ago and who by strict honesty and devotion to the Department has been rewarded to the fine position of responsibility he occupies today. I have never heard one word of reproach against Mr. Purdum and the manner in which he conducts the administration of his duties. Not one word of waste or extravagance or inefficiency, but on the other hand, those who have had to contact him will bear witness to his efficiency and particularly to his fine spirit of willingness to cooperate and in the expeditious manner in which all matters brought to his attention are acted upon.

To know Mr. Purdum is to love and respect him. He has surrounded himself with able, hard-working assistants and men and women whom it is a pleasure to contact, as many of us must frequently do. He has saved considerable sums of money to the Post Office Department by applying businesslike methods in the performance of his work. There is no scandal as to leases and waste, but on the other hand only praise and commendation for this Department. In our Federal building program, particularly in the erection of post-office buildings, our Government has caused to be saved each year about $2,000,000, and in the erection of additional buildings will not only add additional savings but increase efficiency in what I believe to be the greatest service organization in all the world, the Post Office Department. Led by a fine, fearless, competent Postmaster General, the citizens of our country are beginning to appreciate just what we make possible; and I doubt very much if there is any activity of the Government that meets with more generous approval than the erection of Federal buildings for postal service, particularly in offices of the first and second class. I also want to commend the Department for the type of buildings they have erected. Not palaces, or ornamental structures for show, but on the other hand the buildings that have been erected have had efficiency and adequacy as their objective.

When I see some of the buildings that were erected in small towns years ago, the amount of money that was spent for outside decorations and show, I feel that what Mr. Purdum and his assistants have recommended should deserve all the encouragement that we can give. I am pleased to support this provision of the bill, for I believe it to be something permanent and worth while. It not only meets the present economic need for employment, but adds to the permanent wealth of the Nation. [Applause.]

Mr. LUCKEY of Nebraska. Mr. Chairman, I move to strike out the last word.

I wish to say just a few words in support of title III—Federal public buildings.

This title provides for a direct appropriation of $25,000,000 to be used for the immediate construction of Federal buildings. In addition, there is provided a contract authorization for $35,000,000 making a total obligation of $60,000,000. The provisions of title III expand the 3-year public-building program from the $70,000,000 authorized in a previous session of Congress to $130,000,000.

Just what does this mean? Beginning on page 294 and running through page 336 of the hearings on this bill there

appears a list of authorized but eligible public-building projects, the construction of which is sorely needed.

Both as a member of the Committee on the Post Office and Post Roads and as one interested in the development of postal services as well as community service I can assure you that this expanded building program is in the public interest. There is a real need for new or improved post-office buildings throughout the country. The efficiency of our Postal Service can be no better than the buildings and equipment that we provide for those who carry the mail.

We are embarking on a gigantic drive to put men back to work. In conducting this drive we should bear in mind Uncle Sam's needs which in this case are also the individual needs of a great many of our cities. In erecting much needed post office and courthouse buildings and in providing for the alteration and modernization of buildings now in use we accomplish three of the primary objectives of this recovery and works program.

First. We put men back to work. Jobs are created in a normal way. The building of these post offices creates jobs all along the line. Not only are men employed on the actual project but there is also created a long line of other jobs due to the increased demand for steel, hardware, cement, plaster, brick, glass, and all of the thousand and one necessities of such buildings.

Second. By building needed public buildings in all parts of the country there is a general and equitable distribution of this work. The effect of this program will be felt all over the country. It does not provide a lopsided development of boom in one section of the country and bust in others.

Third. This program, when completed, will not only supply much-needed postal facilities but will also provide permanent quarters for Federal activities now housed in privately owned space and upon which we pay an annual toll of rents. These are buildings of real public worth. To a large extent they are self-liquidating through the savings effected in payment of rent on quarters now leased by the Government. Each of these buildings represents not only jobs for those now unemployed but also provides a lasting implement of public service.

Before I close I want to say just a few words about a group of men whose conscientious day-by-day work has established the basis for this building program. Most of you are familiar with our Fourth Assistant Postmaster General, Mr. Purdum, and know the fine work that he so ably carried on. Few people fully realize the great savings that are effected for our Government by the good business judgment of Smith W. Purdum. In the preparation of these plans, just as in the preparation of many of the economies effected by the Post Office Department under this administration, the work has been carried on by Smith W. Purdum and our genial and beloved Postmaster General, James A. Farley. This title of the bill, one of the best in the entire measure, owes its existence not only to our Postmaster General, Mr. Farley, and to the Fourth Assistant Postmaster General, Mr. Purdum, but also to the untiring efforts and efficiency of our own chairman of the Post Office and Post Roads Committee, Mr. JIM MEAD. I have every confidence that this title will be enacted. [Applause.]

Mr. SWEENEY. Mr. Chairman, I offer this pro forma amendment not for the purpose of trespassing on the time of the House, as I recognize the desire to complete consideration of this legislation within the next few minutes. I do rise however, to join if I can in enlarging the base of appraisal of the activities of the Honorable Smith W. Purdum, Fourth Assistant Postmaster General, so very eloquently contributed by my colleagues of the Post Office and Post Roads Committee, Mr. HAINES, of Pennsylvania, and Mr. LUCKEY of Nebraska.

Mr. Purdum has been in the service of the Post Office Department for the past 40 years. He is one of the most efficient, conscientious employees in the service of the Government. In June 1934, he was selected by Postmaster James A. Farley to be the Fourth Assistant Postmaster General. He then became a member of the Interdepartmental Committee on Public Buildings. To a great extent he has had the responsibility of supervising the enormous construction program conducted by the Post Office Department and the Treasury Department.

In the erection of several hundred post-office buildings throughout the country approximately $60,000,000, has been spent, providing necessary increased space and needed additional facilities. To the execution of this program Mr. Purdum has given painstaking effort, always protecting the interest of his Government, and the localities to be served. And added to this accomplishment were the duties and responsibilities of his office as Fourth Assistant Postmaster General.

Not so long ago conditions bordering on a national scandal were prevalent in the Post Office Department, due to the negligent method of leasing and renting space to house postal facilities. With the advent of this administration tremendous progress has been made in the reduction of rentals for space in buildings in localities where the Government owns no such property. It is significant to remark that during the former administration these rentals reached the high mark of $18,000,000 per year. At the present time the total aggregate is $11,350,000 thereby effecting a saving of $6,650,000. Credit for this saving in large part is due to the strict attention to detail and careful supervision exercised by the Fourth Assistant Postmaster General. I know him to be a modest individual who cares little for eulogies, and only asks for the opportunity to continue as a valiant and loyal public servant. Postmaster General Farley, who in my opinion will go down in history as the greatest Postmaster General this country ever had, can well be proud of the record of his able assistant.

I am sure the members of the Post Office and Post Roads Committee of the House, and I judge by the applause registered on this floor today by the Members of the House as a whole, express complete approval of the splendid service rendered by Smith W. Purdum to the Nation. I wish for him a long life and much happiness. I submit this tribute to him not as a Member of the Congress of the United States, but as a humble citizen who believes in giving praise to an untiring public servant during his lifetime.

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

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: Page 24, line 4, after the period, insert a new section as follows:

"SEC. 301. (a) The administration of this act shall be carried out by the several and respective States of the United States of America to which the moneys appropriated by this act shall be allocated by the President of the United States of America pro rata according to the population of each, the machinery of administration in each State to be established by the Governors of said States."

Mr. WOODRUM. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. PHILLIPS. Will the gentleman withhold the point of order?

Mr. WOODRUM. No.

The CHAIRMAN. The Chair is ready to rule. In the opinion of the Chair the amendment is not germane and the Chair, therefore, sustains the point of order.

The Clerk read as follows:

SEC. 302. This title may be cited as the "Federal Public Buildings Appropriation Act of 1938."

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

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: On page 24, after line 6, insert a new title as follows:

"TITLE IV—RURAL ELECTRIFICATION LOANS

"SEC. 401. The act entitled 'An act to provide for rural electrification, and for other purposes', approved May 20, 1936 (49 Stat. 1363), is hereby amended as follows: (a) By inserting in subsection (a) of section 3 thereof immediately following the date 'June 30, 1937' the phrase 'and $60,000,000 for the fiscal year ending June 30, 1939' and (b) by striking out the date 'June 30, 1937, appearing at the end of subsection (e) of such section 3 and inserting in lieu thereof the date 'June 30, 1939'.

"SEC. 402. This title may be cited as the 'Rural Electrification Act of 1938.'"

Mr. WOODRUM. Mr. Chairman, this will take a very few minutes and I ask the attention of the Committee. Under the general law we have provided for the Rural Electrification Administration $40,000,000 for loans for the next year, which is the full amount now authorized by law. There has been a great interest, a great demand for additional funds for rural electrification. They now have on hand $90,000,000 worth of applications. The amendment which I have offered as a new title authorizes the Reconstruction Finance Corporation to let the Rural Electrification Administration have an additional sum of $60,000,000, which gives them $100,000,000 in loans for rural electrification, more than an ample amount to take care of the applications on hand. I have discussed the matter with many gentlemen and I hope very much that it will be satisfactory and that the committee will adopt the amendment.

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

Mr. WOODRUM. Yes.

Mr. RAYBURN. I may say that being one of the coauthors of the Rural Electrification Act, it provided an authorization of $420,000,000 over a period of 9 years, being $40,000,000 a year. The committees of the House and Senate have already met the $40,000,000. There are on file in the Rural Electrification Administration applications for $90,000,000. A great deal of misinformation has gone out with respect to this matter, to the effect that $90,000,000 of applications have been approved. That is not true. Is that correct?

Mr. WOODRUM. That is correct.

Mr. RAYBURN. It may be that not more than $50,000,000 or $60,000,000 or $70,000,000 may be approved, but in order that in addition to the $40,000,000 every community in the land that has made application may have a chance, the committee has generously offered an amendment authorizing the Reconstruction Finance Corporation to lend to the Rural Electrification Administration $60,000,000 additional, and if all applications on hand were approved, even then they would have an additional $10,000,000 to take care of contingencies.

Mr. WOODRUM. This amendment does not in any way increase the total amount of the bill.

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

The Clerk read as follows:

Amendment offered by Mr. RANKIN: Line 7 of the amendment just offered, strike out "$60,000,000" and insert "$100,000,000."

Mr. RANKIN. Mr. Chairman, as the gentleman from Virginia says, this does not take one dollar from any other appropriation. It does not take one dollar from the W. P. A. fund or from the P. W. A. fund; it merely raises the authorization which the R. F. C. may advance to the R. E. A. on applications that are not only approved by the R. E. A. but must be approved by the President of the United States.

We have already applications totaling $90,000,000. Unless this amendment is adopted we will have only $10,000,000 for applications that may come in during the coming year. If applications are not filed and approved the money will not be expended, it will not cost one dollar; but I am here to tell you that whenever the farmers know that this authorization has been made, applications will swarm in here from almost every district in the United States. So I hope you will adopt this amendment in order to give us a reasonable amount for the Rural Electrification Administration for the coming year. None of this money will be expended except upon the approval of the R. E. A. and of the President of the United States. This only increases the amount by $40,000,000, and the Rural Electrification Administration informs me they will need every dollar of it before the end of the year.

I hope the amendment will be adopted.

Mr. REES of Kansas. Mr. Chairman, I move to strike out the last four words. Mr. Chairman, this afternoon we are considering a further expenditure of approximately $6,000,000,000 that will be added to the enormous debt of this country. This bill is called a recovery bill. I hope it will do for this country what its proponents say will be accomplished by its passage.

I am criticizing the bill this afternoon particularly because of the manner in which it has been presented to us. As I have just said, this measure provides for the expenditure of $6,000,000,000. Less than one-third of it is for relief. The remainder is for so-called pump-priming. I am in favor of, and want to support a measure which will provide work and care for the twelve to fifteen millions of our people who are so unfortunate as to be unable to secure jobs today. I believe it is the duty of the Government and the communities to see, so far as possible, that these people are reasonably cared for until such time as they may be able to secure work in private employment. The worst criticism against this democratic form of government of ours, is the fact that after years of experience, it has been unable to even begin to solve the unemployment problem.

I am willing to support the administration's recommendation for approximately one and one-half billion dollars for relief purposes—but I do want this money distributed among, and paid to the people who need it, and to whom it belongs. Furthermore, I insist that these funds be used for worthy projects—things that are really worth while. If there are any funds which should be carefully and economically administered, it is the fund which is appropriated for the relief of those people who have not been able to secure jobs whereby they may earn a livelihood for their families and themselves.

If it were not for the enormous debt into which this country has been plunged, there might be some possible excuse for the pump-priming features of this measure; but I do not believe that these so-called pump-priming features are, in the long run, for the best interests of this country. After all, the debt of this country is the debt of every man, woman, and child who lives within its borders.

I believe the unemployed worker who is willing to help himself should be helped. Then we should take care of those who are not able and will not be able to take care of themselves. However, it seems to me that the committee in charge of this bill, if it really wanted to be fair to the membership of this House, would give us a chance to vote on the relief bill; and then separately and apart, the pump-priming bill could be brought on the floor and we could vote on the merits of that measure, separate and distinct from the relief bill. If this House determined that a pump-priming bill is necessary, then it could support such a measure. If not, it could be voted down.

As the matter is presented now—we are put in the position of being required to vote for the entire bill, whereby we expend approximately $6,000,000,000, less than one-third of which will be used for relief. In other words, we must take it all, or none.

If we could get to a place where we were willing to quit wasting public funds, prosperity, to some extent, might begin to be restored. Let us quit building battleships that cost fabulous sums. Let us quit scaring everybody who wants to invest money in legitimate business. Let us begin to reduce expenses to correspond to the income collected. Let us put our Government on a business basis.

In other words, let us provide a fair, reasonable, and adequate relief program. Administer it just as economically as possible. Give every man and woman who is willing to do so a chance to help himself. Let us begin to restore the confidence of the people in their Government, and of the Government in the people. Let us try to bring about a realization that all classes and all creeds, men in all walks of life, including industry and capital, labor and agriculture, are dependent upon each other, and upon the prosperity of the one depends largely the success of the other.

My appeal this afternoon is to appropriate a fair and adequate sum of money that will provide labor and sustenance for the millions of people who are out of jobs and unable to care for themselves. Then administer this fund as economically as possible, without political favor. See that every dol-

lar of the taxpayers' money goes to the person who needs it, and to whom it belongs.

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

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

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

Tellers were ordered, and the Chair appointed as tellers Mr. RANKIN and Mr. WOODRUM.

The Committee again divided, and the tellers reported that there were—ayes 124, noes 118.

So the amendment was agreed to.

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

The Clerk read as follows:

Amendment offered by Mr. RANKIN: On page 1, line 10, of the proposed additional title IV, after the date, June 30, 1939, strike out the period and insert a comma and the following: "and (C) by inserting immediately following the last sentence of said subsection (a) the following sentence: 'From the funds made available to the Administrator by reason of loans by the Reconstruction Finance Corporation during the fiscal year ending June 30, 1939, as herein authorized, the Administrator may expend an amount not to exceed 4 per centum thereof for administrative expenses.' "

Mr. RANKIN. Mr. Chairman, this merely allows 4 percent for administrative expenses of the R. E. A. You will notice all through the bill 5 percent has been allowed for governmental agencies. It is necessary for the R. E. A. to have funds if it is to carry on its work. I hope the amendment will be adopted.

Mr. WOODRUM. Mr. Chairman, it has been the custom of the Congress to require administrative agencies to come to Congress for their administrative expenses, and it should be required in this case. The lending of this additional amount of money ought not to require any additional administrative expense or, if so, a very small amount, but whatever it takes certainly they should be required to come to the Budget and to the Appropriations Committee, which they can do on the deficiency bill which comes up next week for such additional administrative expenses as they should need.

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

Mr. WOODRUM. I yield.

Mr. TABER. This whole thing takes $100,000,000 more out of the Treasury. Did anybody go to the Budget for that?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. RANKIN].

The amendment was rejected.

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

The question was taken; and on a division (demanded by Mr. WOODRUM) there were—ayes 51, noes 94.

Mr. RANKIN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. WOODRUM and Mr. RANKIN to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 126, noes 119.

So the committee amendment as amended was agreed to.

Mr. GRAY of Pennsylvania. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GRAY of Pennsylvania: Page 24, after title IV, add a new title V as follows:

"SEC. 1. No one shall be denied employment under the provisions of this act because he is not registered on the relief rolls of any State."

Mr. GRAY of Pennsylvania. Mr. Chairman, I am not going to take any time to discuss this amendment because the very statement of the practice of requiring men to be on the relief roll in order to get employment is its own condemnation. You can do something for all the people of this country by adopting my amendment.

Mr. BIERMANN. Will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield to the gentleman from Iowa.

Mr. BIERMANN. I sympathize with the gentleman's amendment, but how are you going to select these people if you do not take them off the relief rolls?

Mr. GRAY of Pennsylvania. They may be selected by men out of employment. The test should be unemployment, not relief.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GRAY].

The amendment was rejected.

The CHAIRMAN. Under the rule the committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the joint resolution (H.J.Res.679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, pursuant to House Resolution 497, he reported the same back to the House with sundry amendments agreed to in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered on the bill and amendments to final passage.

Is a separate vote demanded on any amendment?

Mr. WOODRUM. Mr. Speaker, I ask for a separate vote on the Jones amendment and on the Woodrum amendment adding the title covering rural electrification.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 10, line 10, after the period, insert "farmers in actual need of work but who are not on relief rolls shall have the same eligibility for employment on projects in rural areas as persons on such rolls."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. WOODRUM), there were—ayes 204, noes 110.

Mr. GAVAGAN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment upon which a separate vote is demanded.

The Clerk read as follows:

Committee amendment offered by Mr. WOODRUM: On page 24, after line 6, insert a new title as follows:

"TITLE IV—RURAL ELECTRIFICATION LOANS

"SEC. 401. The act entitled 'An act to provide for rural electrification, and for other purposes,' approved May 20, 1936 (49 Stat. 1363), is hereby amended as follows: (a) By inserting in subsection (a) of section 3 thereof immediately following the date 'June 30, 1937' the phrase 'and $100,000,000 for the fiscal year ending June 30, 1939' and (b) by striking out the date 'June 30, 1939' and (b) by striking out the date 'June 30, 1937' appearing at the end of subsection (e) of such section 3 and inserting in lieu thereof the date 'June 30, 1939.'

"Sec. 402. This title may be cited as the 'Rural Electrification Act of 1938.' "

Mr. WOODRUM. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 260, nays 139, answered "present" 1, not voting 27, as follows:

[Roll No. 74]

YEAS—260

Aleshire	Atkinson	Brown	Chandler
Allen, Del.	Bell	Buck	Chapman
Allen, Ill.	Bernard	Buckler, Minn.	Citron
Allen, La.	Biermann	Burch	Clark, Idaho
Allen, Pa.	Bigelow	Burdick	Clark, N. C.
Amlie	Binderup	Caldwell	Claypool
Anderson, Mo.	Boileau	Cannon, Mo.	Coffee, Nebr.
Andresen, Minn.	Boren	Carlson	Coffee, Wash.
Arends	Boykin	Carter	Collins
Arnold	Brewster	Cartwright	Colmer
Ashbrook	Brooks	Case, S. Dak.	Connery

Cooley	Hamilton	McSweeney	Rutherford
Cooper	Harrington	Magnuson	Ryan
Cox	Havenner	Mahon, S. C.	Sadowski
Cravens	Hendricks	Mahon, Tex.	Sanders
Crawford	Hennings	Martin, Colo.	Satterfield
Creal	Hildebrandt	Mason	Sauthoff
Crosser	Hill	Massingale	Schaefer, Ill.
Crowe	Hobbs	Maverick	Schneider, Wis.
Culkin	Honeyman	Mead	Schulte
Cummings	Hook	Mecks	Scott
Deen	Hope	Michener	Secrest
Dempsey	Houston	Mills	Shanley
DeRouen	Hull	Mitchell, Tenn.	Shannon
Dies	Hunter	Mosier, Ohio	Sheppard
Dingell	Imhoff	Mott	Short
Disney	Izac	Mouton	Sirovich
Dockweiler	Jacobsen	Murdock, Ariz.	Smith, Conn.
Doughton	Jarman	Murdock, Utah	Smith, Maine
Dowell	Jenckes, Ind.	Nelson	Smith, Va.
Doxey	Jenkins, Ohio	Nichols	Smith, Wash.
Drewry, Va.	Jenks, N. H.	O'Brien, Mich.	South
Driver	Johnson, Luther A.	O'Connell, Mont.	Sparkman
Duncan	Johnson, Lyndon	O'Connor, Mont.	Spence
Dunn	Johnson, Minn.	O'Day	Stack
Eckert	Johnson, Okla.	Oliver	Starnes
Eicher	Johnson, W. Va.	Owen	Stefan
Elliott	Jones	Pace	Sumners, Tex.
Englebright	Keller	Parsons	Sutphin
Farley	Kerr	Patman	Sweeney
Ferguson	Kirwan	Patrick	Taylor, Tenn.
Fitzgerald	Kitchens	Patterson	Teigan
Fleger	Kniffin	Patton	Terry
Fletcher	Knutson	Pearson	Thom
Ford, Calif.	Kopplemann	Peterson, Fla.	Thomas, Tex.
Ford, Miss.	Kramer	Peterson, Ga.	Thomason, Tex.
Fries, Ill.	Kvale	Phillips	Thurston
Fuller	Lambertson	Pierce	Tobey
Fulmer	Lambeth	Plumley	Tolan
Garrett	Lanham	Poage	Transue
Gasque	Larrabee	Polk	Treadway
Gearhart	Lea	Quinn	Turner
Gehrmann	Leavy	Rankin	Vincent, Ky.
Gilchrist	Lemke	Reece, Tenn.	Vinson, Ga.
Gingery	Lesinski	Reed, Ill.	Voorhis
Gray, Ind.	Lucas	Reed, N. Y.	Wallgren
Green	Luckey, Nebr.	Rees, Kans.	Wene
Greenwood	Luecke, Mich.	Reilly	West
Greever	McClellan	Rich	White, Ohio
Gregory	McFarlane	Richards	Wilcox
Griffith	McGehee	Rigney	Williams
Griswold	McGrath	Robertson	Withrow
Guyer	McGroarty	Robinson, Utah	Wolverton
Gwynne	McLaughlin	Robsion, Ky.	Wood
Halleck	McReynolds	Romjue	Zimmerman

NAYS—139

Andrews	Drew, Pa.	Kleberg	Rabaut
Bacon	Eaton	Kocialkowski	Ramsay
Barry	Eberharter	Lanzetta	Ramspeck
Barton	Edmiston	Lewis, Colo.	Rayburn
Bates	Engel	Lewis, Md.	Rockefeller
Beam	Evans	Long	Rogers, Mass.
Beiter	Faddis	Lord	Sabath
Bloom	Fernandez	Ludlow	Sacks
Boehne	Fish	McAndrews	Schuetz
Boland, Pa.	Fitzpatrick	McCormack	Seger
Boyer	Flaherty	McGranery	Shafer, Mich.
Boylan, N. Y.	Flannery	McKeough	Simpson
Bradley	Forand	McLean	Smith, W. Va.
Buckley, N. Y.	Frey, Pa.	Maas	Snell
Byrne	Gamble, N. Y.	Maloney	Somers, N. Y.
Cannon, Wis.	Gavagan	Mansfield	Sullivan
Casey, Mass.	Gifford	Mapes	Swope
Church	Gildea	Martin, Mass.	Taber
Clason	Gray, Pa.	May	Tarver
Cluett	Haines	Merritt	Thomas, N. J.
Cochran	Hancock, N. Y.	Mitchell, Ill.	Thompson, Ill.
Cole, Md.	Harlan	Moser, Pa.	Tinkham
Cole, N. Y.	Hart	Norton	Towey
Costello	Harter	O'Brien, Ill.	Umstead
Crowther	Hartley	O'Connell, R. I.	Wadsworth
Cullen	Healey	O'Connor, N. Y.	Walter
Curley	Hoffman	O'Leary	Warren
Daly	Jarrett	O'Malley	Welch
Delaney	Kee	O'Neal, Ky.	Whittington
DeMuth	Kelly, Ill.	O'Neill, N. J.	Wigglesworth
Dickstein	Kelly, N. Y.	O'Toole	Wolcott
Dirksen	Kennedy, Md.	Palmisano	Wolfenden
Dixon	Kennedy, N. Y.	Pettengill	Woodruff
Dondero	Keogh	Pfeifer	Woodrum
Dorsey	Kinzer	Powers	

ANSWERED "PRESENT"—1

Luce

NOT VOTING—27

Barden	Douglas	McMillan	Taylor, Colo.
Bland	Flannagan	Randolph	Taylor, S. C.
Bulwinkle	Gambrill, Md.	Rogers, Okla.	Wearin
Celler	Goldsborough	Scrugham	Weaver
Champion	Hancock, N. C.	Smith, Okla.	Whelchel
Crosby	Holmes	Snyder, Pa.	White, Idaho
Ditter	Lamneck	Steagall	

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. Goldsborough with Mr. Luce.
Mr. Barden with Mr. Holmes.
Mr. Bland with Mr. Ditter.
Mr. Lamneck with Mr. Douglas.
Mr. McMillan with Mr. Snyder of Pennsylvania.
Mr. Weaver with Mr. Celler.
Mr. Hancock of North Carolina with Mr. White of Idaho.
Mr. Taylor of South Carolina with Mr. Scrugham.
Mr. Randolph with Mr. Crosby.
Mr. Taylor of Colorado with Mr. Wearin.
Mr. Gambrill of Maryland with Mr. Whelchel.
Mr. Steagall with Mr. Rogers of Oklahoma.
Mr. Bulwinkle with Mr. Smith of Oklahoma.

Mr. SHAFER of Michigan changed his vote from "yea" to "nay."

Mr. DEROUEN, Mr. LUCAS, and Mr. FORD of California changed their votes from "nay" to "yea."

Mr. LUCE. Mr. Speaker, I have a pair with the gentleman from Maryland, Mr. GOLDSBOROUGH. I do not know how the gentleman would vote on this amendment, so I withdraw my vote of "nay" and ask to be recorded as being present.

The result of the vote was announced as above recorded.

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

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

Mr. BACON. Mr. Speaker, I offer a motion to recommit, which is at the Clerk's desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BACON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BACON moves to recommit House Joint Resolution 679 to the Committee on Appropriations with instructions to that committee to report the resolution back forthwith with the following amendment: Page 1, line 4, strike out title I and insert the following as a substitute:

"That to provide relief, and work relief, and to increase employment, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,250,000,000, which shall be available for the period commencing July 1, 1938, and ending on January 31, 1939.

"SEC. 2. (a) Not more than $1,150,000,000 of the sum appropriated by section 1 shall be available for grants-in-aid to States to assist them in financing and administering such forms of relief and work relief and methods of increasing employment as may be determined upon and undertaken by them. Such amount shall be allocated by the Federal Relief Board (hereinafter established), with the approval of the President, among the several States upon the basis of the Board's findings and conclusions with respect to the facts concerning and weight to be given to unemployment and living costs in, and population and financial resources of the several States. Not more than 15 percent of such amount shall be paid to any State.

"(b) The sum allocated to a State under subsection (a) shall be paid quarterly by order of the Federal Relief Board to the State if—

"(1) The Governor (or in the case of the District of Columbia, the District Commissioners) has certified to the Federal Relief Board that there has been established a board of relief trustees in such State, the membership of which is not composed solely of individuals who are members of the same political party, and that such board has the power and duty of receiving and disbursing sums which may be granted such State under this section;

"(2) The State board has certified to the Federal Relief Board that the State, or its subdivisions, or both, have provided or are prepared to provide an amount equal to not less than 25 percent of the amount allocated to it under this section, for relief, work relief, or methods of increasing employment; and

"(3) The State board has agreed to furnish to the Federal Relief Board such reports (respecting the administration of the relief, work relief, or methods of increasing employment with respect to which funds allocated to the State under this section are used) in such form and containing such information as the Federal Relief Board may from time to time require, and to comply with such provisions as the Federal Relief Board may from time to time find necessary to assure the correctness and verification of such reports.

"(c) If the Federal Relief Board finds that any part of an amount granted to a State under this section has been diverted to a purpose not reasonably within the purpose of furnishing relief, work relief, or increasing employment, or that more than 80 percent of the amount devoted to such purposes has been expended out of grants under this section, the amount of future grants to be made to the State shall be reduced by an amount equal to the amount the Board determines has been diverted or the amount the Board determines to be such excess.

"(d) The Federal Relief Board shall allocate, out of the sum specified in subsection (a), such sums as it deems necessary on the basis of the needs of Puerto Rico, the Virgin Islands, and the Canal Zone for relief, work relief, and increasing employment. Such sums shall be expended as the Board prescribes as necessary for such purposes and subject to such requirement, if any, as the Board may prescribe for contribution by the possessions to such purposes.

"SEC. 3. Not more than $100,000,000 of the sum appropriated by section 1 shall be available to enable the Federal Relief Board, with the approval of the President, in its discretion and on its order, to make such grants or loans to States as it deems necessary in order to meet extraordinary and unforeseen emergencies, and such grants or loans shall be made without regard to the provisions of section 2. The sum specified in this section shall also be available for all administrative expenses of the United States in carrying out the provisions of section 2 and this section.

"SEC. 4. (a) There is hereby established the Federal Relief Board, which shall be composed of three members appointed by the President, by and with the advice and consent of the Senate. Not more than two of the members of the Board shall be members of the same political party and the President shall designate one of the members as chairman. Each member shall receive a salary at the rate of $10,000 per annum.

"(b) The Board shall have the power and duty of carrying out sections 2 and 3 of this act, and such powers and duties shall be exercised under the direction and subject to the approval of the President.

"(c) The Board is authorized to make such expenditures, and, subject to the civil-service laws and rules and regulations made thereunder and the Classification Act of 1923, as amended, to appoint and fix the compensation of such officers and employees, as may be necessary to carry out its powers and duties.

"SEC. 5. Any person who knowingly makes any false statement in connection with securing a grant or loan or making any report or furnishing any information under section 2 or 3, or who solicits or receives political contributions from any person who directly or indirectly receives any part of a grant or loan made under sections 2 or 3, or any person who, in administering any such grant or loan, discriminates against any person on account of race, religion, or political affiliation shall, on conviction thereof, be deemed guilty of a misdemeanor and fined not more than $2,000 or imprisoned not more than 1 year, or both. For the purposes of this section, each payment made by a State to which a grant or loan has been made under sections 2 or 3 for relief, work relief, or increasing employment shall be considered to consist one-fourth of funds of the State and three-fourths of funds of the United States.

"SEC. 6. The funds herein appropriated shall be so apportioned and distributed over the period beginning July 1, 1938, and ending on January 31, 1939, and shall be so administered during such period as to constitute the total amount that will be furnished during such period for relief purposes.

"SEC. 7. As used in this act, the term 'State' means the several States, Alaska, Hawaii, and the District of Columbia.

"SEC. 8. This act may be cited as the Relief Appropriation Act of 1938."

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. SNELL. Mr. Speaker, on that motion I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 89, nays 308, answered "present" 3, not voting 27, as follows:

[Roll No. 75]

YEAS—89

Allen, Ill.	Fish	McLean	Shafer, Mich.
Andresen, Minn.	Gamble, N. Y.	Maas	Short
Andrews	Gearhart	Mapes	Simpson
Arends	Gifford	Martin, Mass.	Smith, Maine
Bacon	Gilchrist	Mason	Snell
Bates	Griswold	Michener	Taber
Boehne	Guyer	Mott	Taylor, Tenn.
Brewster	Gwynne	Oliver	Thomas, N. J.
Carlson	Halleck	Pace	Thurston
Carter	Hancock, N. Y.	Pettengill	Tinkham
Case, S. Dak.	Hartley	Plumley	Tobey
Church	Hoffman	Powers	Treadway
Clark, N. C.	Hope	Reece, Tenn.	Wadsworth
Clason	Jarrett	Reed, Ill.	West
Cluett	Jenkins, Ohio	Reed, N. Y.	White, Ohio
Cole, N. Y.	Jenks, N. H.	Rees, Kans.	Wigglesworth
Crawford	Kinzer	Rich	Wolcott
Crowther	Knutson	Robsion, Ky.	Wolfenden
Culkin	Lambertson	Rockefeller	Wolverton
Dirksen	Lambeth	Rogers, Mass.	Woodruff
Dondero	Lamneck	Rutherford	
Eaton	Lord	Ryan	
Englebright	Ludlow	Seger	

NAYS—308

Aleshire	Drewry, Va.	Kerr	Peterson, Ga.
Allen, Del.	Driver	Kirwan	Pfeifer
Allen, La.	Duncan	Kitchens	Phillips
Allen, Pa.	Dunn	Kleberg	Pierce
Amlie	Eberharter	Kniffin	Poage
Anderson, Mo.	Eckert	Kocialkowski	Polk
Arnold	Edmiston	Kopplemann	Quinn
Ashbrook	Eicher	Kramer	Rabaut
Atkinson	Elliott	Kvale	Ramsay
Barry	Evans	Lanham	Ramspeck
Beam	Faddis	Lanzetta	Rankin
Beiter	Farley	Larrabee	Rayburn
Bell	Ferguson	Lea	Reilly
Bernard	Fernandez	Leavy	Richards
Biermann	Fitzgerald	Lemke	Rigney
Bigelow	Fitzpatrick	Lesinski	Robertson
Binderup	Flaherty	Lewis, Colo.	Robinson, Utah
Bloom	Flannery	Long	Romjue
Boileau	Fleger	Lucas	Sabath
Boland, Pa.	Fletcher	Luckey, Nebr.	Sacks
Boren	Forand	Luecke, Mich.	Sadowski
Boyer	Ford, Calif.	McAndrews	Sanders
Boykin	Ford, Miss.	McClellan	Satterfield
Boylan, N. Y.	Frey, Pa.	McCormack	Sauthoff
Bradley	Fries, Ill.	McFarlane	Schaefer, Ill.
Brooks	Fuller	McGehee	Schneider, Wis.
Brown	Fulmer	McGranery	Schuetz
Buck	Garrett	McGrath	Schulte
Buckler, Minn.	Gasque	McGroarty	Scott
Buckley, N. Y.	Gavagan	McKeough	Secrest
Burch	Gehrmann	McLaughlin	Shanley
Burdick	Gildea	McReynolds	Shannon
Byrne	Gingery	McSweeney	Sheppard
Caldwell	Gray, Ind.	Magnuson	Sirovich
Cannon, Mo.	Gray, Pa.	Mahon, S. C.	Smith, Conn.
Cartwright	Green	Mahon, Tex.	Smith, Va.
Casey, Mass.	Greenwood	Maloney	Smith, Wash.
Chandler	Greever	Mansfield	Smith, W. Va.
Chapman	Gregory	Martin, Colo.	Somers, N. Y.
Citron	Griffith	Massingale	South
Clark, Idaho	Haines	Maverick	Sparkman
Claypool	Hamilton	May	Spence
Cochran	Hancock, N. C.	Mead	Stack
Coffee, Nebr.	Harlan	Meeks	Starnes
Coffee, Wash.	Harrington	Merritt	Stefan
Cole, Md.	Hart	Mills	Sullivan
Collins	Harter	Mitchell, Ill.	Sumners, Tex.
Colmer	Havenner	Mitchell, Tenn.	Sutphin
Connery	Healey	Moser, Pa.	Sweeney
Cooley	Hendricks	Mosier, Ohio	Swope
Cooper	Hennings	Mouton	Tarver
Costello	Hildebrandt	Murdock, Ariz.	Teigan
Cox	Hill	Murdock, Utah	Terry
Cravens	Hobbs	Nelson	Thom
Creal	Honeyman	Nichols	Thomas, Tex.
Crosser	Hook	Norton	Thomason, Tex.
Crowe	Houston	O'Brien, Ill.	Thompson, Ill.
Cullen	Hull	O'Brien, Mich.	Tolan
Cummings	Hunter	O'Connell, Mont.	Towey
Curley	Imhoff	O'Connell, R. I.	Transue
Daly	Izac	O'Connor, Mont.	Turner
Deen	Jacobsen	O'Connor, N. Y.	Umstead
Delaney	Jarman	O'Day	Vincent, Ky.
Dempsey	Jenckes, Ind.	O'Leary	Vinson, Ga.
DeMuth	Johnson, Luther A.	O'Malley	Voorhis
DeRouen	Johnson, Lyndon	O'Neal, Ky.	Wallgren
Dickstein	Johnson, Minn.	O'Neill, N. J.	Walter
Dies	Johnson, Okla.	O'Toole	Warren
Dingell	Johnson, W. Va.	Owen	Welch
Disney	Jones	Palmisano	Wene
Dixon	Kee	Parsons	Whittington
Dockweiler	Keller	Patman	Wilcox
Dorsey	Kelly, Ill.	Patrick	Williams
Doughton	Kelly, N. Y.	Patterson	Withrow
Dowell	Kennedy, Md.	Patton	Wood
Doxey	Kennedy, N. Y.	Pearson	Woodrum
Drew, Pa.	Keogh	Peterson, Fla.	Zimmerman

ANSWERED "PRESENT"—3

Barton	Engel	Luce

NOT VOTING—27

Barden	Ditter	McMillan	Taylor, Colo.
Bland	Douglas	Randolph	Taylor, S. C.
Bulwinkle	Flannagan	Rogers, Okla.	Wearin
Cannon, Wis.	Gambrill, Md.	Scrugham	Weaver
Celler	Goldsborough	Smith, Okla.	Whelchel
Champion	Holmes	Snyder, Pa.	White, Idaho
Crosby	Lewis, Md.	Steagall	

So the motion to recommit was rejected.

Mr. ENGEL. Mr. Speaker, I have a pair with the gentleman from Iowa, Mr. WEARIN. I therefore withdraw my vote of "yea" and ask to be recorded as being present.

Mr. BARTON. Mr. Speaker, on this vote I am paired with the gentleman from West Virginia, Mr. RANDOLPH. I therefore withdraw my vote of "yea" and answer "present."

Mr. LUCE. Mr. Speaker, I have a pair with the gentleman from Maryland, Mr. GOLDSBOROUGH. I therefore withdraw my vote of "yea" and ask to be recorded as being present.

The Clerk announced the following additional pairs:

On this vote:

Mr. Luce (for) with Mr. Goldsborough (against).
Mr. Barton (for) with Mr. Randolph (against).
Mr. Ditter (for) with Mr. Bland (against).
Mr. Engel (for) with Mr. Wearin (against).
Mr. Holmes (for) with Mr. Barden (against).

General pairs:

Mr. McMillan with Mr. Snyder of Pennsylvania.
Mr. Lewis of Maryland with Mr. Douglas.
Mr. Weaver with Mr. Celler.
Mr. Taylor of South Carolina with Mr. Scrugham.
Mr. Gambrill of Maryland with Mr. Whelchel.
Mr. Steagall with Mr. Rogers of Oklahoma.
Mr. Bulwinkle with Mr. Smith of Oklahoma.
Mr. Crosby with Mr. Flannagan.
Mr. Taylor of Colorado with Mr. Cannon of Wisconsin.
Mr. White of Idaho with Mr. Champion.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the joint resolution.

Mr. WOODRUM and Mr. SNELL rose.

Mr. WOODRUM. Mr. Speaker, on the final passage of the joint resolution, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 329, nays 70, answered "present" 3, not voting 25, as follows:

[Roll No. 76]

YEAS—329

Aleshire	Delaney	Havenner	McSweeney
Allen, Del.	Dempsey	Healey	Maas
Allen, La.	DeMuth	Hendricks	Magnuson
Allen, Pa.	DeRouen	Hennings	Mahon, S. C.
Amlie	Dickstein	Hildebrandt	Mahon, Tex.
Anderson, Mo.	Dies	Hill	Maloney
Arnold	Dingell	Hobbs	Mansfield
Ashbrook	Dirksen	Honeyman	Mapes
Atkinson	Disney	Hook	Martin, Colo.
Barry	Dixon	Hope	Massingale
Beam	Dockweiler	Houston	Maverick
Beiter	Dorsey	Hull	May
Bell	Doughton	Hunter	Mead
Bernard	Dowell	Imhoff	Meeks
Biermann	Doxey	Izac	Merritt
Bigelow	Drew, Pa.	Jacobsen	Mills
Binderup	Driver	Jarman	Mitchell, Ill.
Bloom	Duncan	Jenckes, Ind.	Mitchell, Tenn.
Boehne	Dunn	Jenks, N. H.	Moser, Pa.
Boileau	Eberharter	Johnson, LutherA.	Mosier, Ohio
Boland, Pa.	Eckert	Johnson, Lyndon	Mott
Boren	Edmiston	Johnson, Minn.	Mouton
Boyer	Eicher	Johnson, Okla.	Murdock, Ariz.
Boykin	Elliott	Johnson, W. Va.	Murdock, Utah
Boylan, N. Y.	Englebright	Jones	Nelson
Bradley	Evans	Kee	Nichols
Brewster	Faddis	Keller	Norton
Brooks	Farley	Kelly, Ill.	O'Brien, Ill.
Brown	Ferguson	Kelly, N. Y.	O'Brien, Mich.
Buck	Fernandez	Kennedy, Md.	O'Connell, Mont.
Buckler, Minn.	Fitzgerald	Kennedy, N. Y.	O'Connell, R. I.
Buckley, N. Y.	Fitzpatrick	Keogh	O'Connor, Mont.
Burdick	Flaherty	Kerr	O'Connor, N. Y.
Byrne	Flannery	Kirwan	O'Day
Caldwell	Fleger	Kitchens	O'Leary
Cannon, Mo.	Fletcher	Kleberg	O'Malley
Cannon, Wis.	Forand	Kocialkowski	O'Neal, Ky.
Carter	Ford, Calif.	Kopplemann	O'Neill, N. J.
Cartwright	Ford, Miss.	Kramer	O'Toole
Case, S. Dak.	Frey, Pa.	Kvale	Oliver
Casey, Mass.	Fries, Ill.	Lambeth	Owen
Chandler	Fuller	Lanham	Pace
Chapman	Fulmer	Lanzetta	Palmisano
Citron	Garrett	Larrabee	Parsons
Clark, Idaho	Gasque	Lea	Patman
Clark, N. C.	Gavagan	Leavy	Patrick
Claypool	Gearhart	Lemke	Patterson
Cochran	Gehrmann	Lesinski	Patton
Coffee, Nebr.	Gildea	Lewis, Colo.	Pearson
Coffee, Wash.	Gingery	Lewis, Md.	Peterson, Fla.
Cole, Md.	Gray, Ind.	Long	Pfeifer
Collins	Gray, Pa.	Lucas	Phillips
Colmer	Green	Luckey, Nebr.	Pierce
Connery	Greenwood	Ludlow	Plumley
Cooley	Greever	Luecke, Mich.	Poage
Cooper	Gregory	McAndrews	Powers
Costello	Griffith	McClellan	Quinn
Cravens	Griswold	McCormack	Rabaut
Creal	Guyer	McFarlane	Ramsay
Crosser	Haines	McGehee	Ramspeck
Crowe	Hamilton	McGranery	Rankin
Cullen	Hancock, N. C.	McGrath	Rayburn
Cummings	Harlan	McGroarty	Rees, Kans.
Curley	Harrington	McKeough	Reilly
Daly	Hart	McLaughlin	Richards
Deen	Harter	McReynolds	Rigney
Robinson, Utah	Shannon	Sweeney	Voorhis
Romjue	Sheppard	Swope	Wallgren
Ryan	Sirovich	Tarver	Walter
Sabath	Smith, Conn.	Teigan	Warren
Sacks	Smith, Maine	Terry	Welch
Sadowski	Smith, Wash.	Thom	Wene
Sanders	Smith, W. Va.	Thomas, Tex.	Whittington
Satterfield	Somers, N. Y.	Thomason, Tex.	Wilcox
Sauthoff	South	Thompson, Ill.	Williams
Schaefer, Ill.	Sparkman	Tobey	Withrow
Schneider, Wis.	Spence	Tolan	Wolverton
Schuetz	Stack	Towey	Wood
Schulte	Starnes	Transue	Woodrum
Scott	Stefan	Turner	Zimmerman
Secrest	Sullivan	Umstead	
Seger	Sumners, Tex.	Vincent, Ky.	
Shanley	Sutphin	Vinson, Ga.	

NAYS—70

Allen, Ill.	Eaton	McLean	Simpson
Andresen, Minn.	Fish	Martin, Mass.	Smith, Va.
Andrews	Gamble, N. Y.	Mason	Snell
Arends	Gifford	Michener	Taber
Bacon	Gilchrist	Peterson, Ga.	Taylor, Tenn.
Bates	Gwynne	Pettengill	Thomas, N. J.
Burch	Halleck	Polk	Thurston
Carlson	Hancock, N. Y.	Reece, Tenn.	Tinkham
Church	Hartley	Reed, Ill.	Treadway
Clason	Hoffman	Reed, N. Y.	Wadsworth
Cluett	Jarrett	Rich	West
Cole, N. Y.	Jenkins, Ohio	Robertson	White, Ohio
Cox	Kinzer	Robsion, Ky.	Wigglesworth
Crawford	Kniffin	Rockefeller	Wolcott
Crowther	Knutson	Rogers, Mass.	Wolfenden
Culkin	Lambertson	Rutherford	Woodruff
Dondero	Lamneck	Shafer, Mich.	
Drewry, Va.	Lord	Short	

ANSWERED "PRESENT"—3

Barton	Engel	Luce

NOT VOTING—25

Barden	Douglas	Rogers, Okla.	Wearin
Bland	Flannagan	Scrugham	Weaver
Bulwinkle	Gambrill, Md.	Smith, Okla.	Whelchel
Celler	Goldsborough	Snyder, Pa.	White, Idaho
Champion	Holmes	Steagall	
Crosby	McMillan	Taylor, Colo.	
Ditter	Randolph	Taylor, S. C.	

So the resolution was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Goldsborough (for) with Mr. Luce (against).
Mr. Randolph (for) with Mr. Barton (against).
Mr. Bland (for) with Mr. Ditter (against).
Mr. Wearin (for) with Mr. Engel (against).
Mr. Barden (for) with Mr. Holmes (against).

General pairs:

Mr. McMillan with Mr. Snyder of Pennsylvania.
Mr. Weaver with Mr. Celler
Mr. Taylor of South Carolina with Mr. Scrugham.
Mr. Gambrill of Maryland with Mr. Whelchel.
Mr. Steagall with Mr. Rogers of Oklahoma.
Mr. Bulwinkle with Mr. Smith of Oklahoma.
Mr. Crosby with Mr. Flanagan.
Mr. White of Idaho with Mr. Champion.
Mr. Taylor of Colorado with Mr. Douglas.

Mr. BARTON. Mr. Speaker, I am paired with the gentleman from West Virginia, Mr. RANDOLPH. I withdraw my vote of "no" and answer "present."

Mr. LUCE. Mr. Speaker, I am paired with the gentleman from Maryland, Mr. GOLDSBOROUGH. I withdraw my vote and ask to be recorded as present.

Mr. ENGEL. Mr. Speaker, I am paired with the gentleman from Iowa, Mr. WEARIN, and I withdraw my vote and ask to be recorded as present.

The result of the vote was announced as above recorded.

On motion of Mr. WOODRUM, a motion to reconsider the vote by which the resolution was passed was laid on the table.

LEAVE TO PRINT

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to extend their own remarks on the bill.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

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

The SPEAKER. Is there objection?

There was no objection.

Mr. BUCKLEY of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

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

The SPEAKER. Is there objection?

There was no objection.

Mr. SACKS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address made by my colleague, Mr. HEALEY, on May 9, 1938.

The SPEAKER. Is there objection?

There was no objection.

LAUNCHING OF THE U. S. S. NAVAL DESTROYERS "ROWAN" AND "STACK" AT THE NORFOLK NAVY YARD ATTENDED BY 14 MEMBERS OF CONGRESS

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point, and to include three brief addresses by Members of the House made at the launching of two destroyers at the Norfolk Navy Yard.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAMILTON. Mr. Speaker, in the presence of 14 Members of the House of Representatives composing a delegation headed by Chairman CARL VINSON, of the Naval Affairs Committee of the House, there were launched at the Norfolk Navy Yard on Thursday, May 5, two great naval torpedo-boat destroyers, the *Rowan* and *Stack*, termed by experts as the most efficient and effective of their type in the world today. The occasion was one of the most notable in the history of the Norfolk Navy Yard, now one of the Nation's greatest and most efficient of naval establishments.

The twin craft, the U. S. S. *Rowan* and the U. S. S. *Stack*, each 341 feet long with standard displacement of 1,500 tons, had been constructed in one of the large drydocks at the Norfolk yard, while the regular building ways at that yard were being rehabilitated and enlarged preparatory to capital-ship construction incident to the naval expansion program of the Nation, which has just been authorized by the present Congress.

The day was a gala one at the Norfolk Navy Yard and the double launching occurred in the presence of more than 5,000 people. Assistant Secretary of the Navy Charles Edison attended along with high ranking naval officials and some 200 Irish veterans of the World War from Philadelphia and New York, the latter as accompanying guests of our House colleague, Hon. MICHAEL J. STACK, of Pennsylvania, whose charming daughter, Miss Mary Theresa Stack, was the sponsor for the destroyer *Stack*, named in memory of her ancestor, Lt. Edward Stack, native son of the Emerald Isle, who, coming to America, entered the United States Marine Corps and served with John Paul Jones when the latter began to recruit French volunteers for the *Bonhomme Richard*.

Hon. JOHN O'CONNOR of New York, honored Member of this House, was the principal speaker of the occasion that marked the launching of the *Rowan* and *Stack*. It was under sunny skies that Capt. R. W. Ryden, United States Navy, industrial manager of the Norfolk Navy Yard, at noontime announced to the assembled throng that a double launching was to occur. Anchors Aweigh, sounded by a naval band from the battleship *New York*, flagship of the United States Training Fleet, then at the Norfolk yard, preceded the presentation by Captain Ryden of Rear Admiral Manley H. Simons, United States Navy, the able commandant of the Norfolk yard, who greeted the visitors and opened the ceremonies of the day. Commander W. W. Elder, United States Navy, chaplain of the Norfolk yard, pronounced the invocation.

Introduced by Rear Admiral Simons, it was my distinction to have the honor of presenting to the great assemblage present our colleagues Hon. CARL VINSON, of Georgia, chairman of the House Naval Affairs Committee; Hon. JOHN O'CONNOR, of New York, chairman of the House Rules Committee; and Hon. MICHAEL J. STACK, member of the House Naval Affairs Committee.

At 12:25 o'clock the band played the Stars and Stripes. Five minutes later the two sponsors were introduced—Miss Elizabeth H. Rowan, great-granddaughter of Vice Admiral Rowan, for the *Rowan*, and Miss Mary Theresa Stack for the *Stack*. Miss Ruth Cotton was flower girl for the *Rowan* and Miss Allene Louisa Action for the *Stack*.

At 12:40 o'clock with one long blast from the Norfolk Navy Yard whistle and with the band playing Don't Give up the Ship, the two destroyers were launched from the drydock in which they were built in flooded waters from the historic Elizabeth River of Virginia.

Following the launching, the two sponsors were presented with attractive gifts on behalf of the Navy Yard Cooperative Association. Both were presented with handsome wrist watches, the silver christening containers and their mahogany boxes, and a book of "sponsors" containing the names of all those who have sponsored naval vessels in the past. C. D. Freeman presented the gifts to Miss Rowan and J. L. Williams to Miss Stack.

The launching ceremonies were followed in the early afternoon by a notable reception with Rear Admiral Simons and the officerial personnel of the Norfolk yard hosts of the occasion at the Officers Club of the yard.

Members of Congress attending the launching were: Chairman CARL VINSON, of Georgia; MICHAEL J. STACK, of Pennsylvania; JOHN J. MCGRATH, of California; John M. O'CONNELL, of Rhode Island; ALFRED N. PHILLIPS, of Connecticut; GEORGE J. BATES, of Massachusetts; ARTHUR B. JENKS, of New Hampshire; NORMAN R. HAMILTON, of Virginia, of the Naval Affairs Committee of the House; JOHN O'CONNOR, of New York; WILLIAM R. THOM, of Ohio; JOSEPH E. CASEY, of Massachusetts; JAMES M. FITZPATRICK, of New York; PAUL R. GREEVER, of Wyoming; and FRANK W. FRIES, of Illinois.

DESTROYERS NAMED FOR PATRIOTS

The keels of the twin destroyers *Rowan* and *Stack* were laid down at the Norfolk Navy Yard June 25, 1937. The *Rowan*, known officially in the Navy as *Destroyer No. 405*, is named in memory of the late Vice Admiral Stephen C. Rowan, who was born in Dublin, Ireland, on December 25, 1808. He was appointed midshipman from Ohio in 1826, and served with distinction in the Seminole War, the Mexican War, and the War Between the States. He was commissioned captain on July 16, 1862, and, for conspicuous gallantry, was promoted to the rank of commodore on the same day. During 1866–67 he commanded the Norfolk Navy Yard. He later commanded the Asiatic Squadron and while on this duty was promoted to the rank of vice admiral.

The *Stack*, known officially in the Navy as *Destroyer No. 406*, is named in memory of Lt. Edward Stack, United States Marine Corps, who was born in Keeland, County Kerry, Ireland, on April 26, 1756. When John Paul Jones began to recruit French volunteers for the *Bonhomme Richard*, Stack was a sublieutenant in Walsh's famous regiment of marine artillery attached to the French Navy. He received permission from the French naval authorities to join Jones' expedition. He served with great bravery under Jones and was especially mentioned in Jones' report of the engagement with the *Serapis*. He continued in the service of the United States until 1780 when he returned to the French Army and served in America as aide-de-camp to the Marquis de Viomenil during the Revolutionary War.

The addresses of Hon. CARL VINSON, of Georgia, chairman of the Naval Affairs Committee of the House; Hon. JOHN O'CONNOR, of New York, chairman of the Rules Committee of the House; and Hon. MICHAEL J. STACK, of Pennsylvania, member of the Naval Affairs Committee of the House and father of the sponsor of the destroyer *Stack*, follow:

ADDRESS OF MR. VINSON

Mr. Secretary Edison, Admiral Simons, other distinguished guests, ladies, and gentlemen and employees, all of the Norfolk Navy Yard, the Naval Affairs Committee of the House of Representatives, together with members of the Naval Appropriations Committee and other Members of Congress, are delighted to be here today with our beloved colleague, NORMAN R. HAMILTON, of the Second Virginia District, for the launching of two of the Navy's latest destroyers.

These two fine vessels, the *Rowan* and *Stack*, are examples of the Navy's best, produced by workmanship, we are told by Mr. HAMILTON, that ranks second to none, and this, after seeing your fine yard, knowing what it produces and can produce, we are ready to accept.

We know the Norfolk Navy Yard but we never before have seen it in such peacetime activity. It ranks today as one of America's most outstanding naval establishments, but there are greater things ahead for it, and this at a very early time.

With the fine new building ways that have been obtained for you by Congressman HAMILTON, at a cost of nearly $700,000 and without which the Norfolk yard would not have been prepared to secure capital-ship construction, this yard is now ready to build a modern battleship. This I promise you that you are going to build and I am for calling her after my own State, the *Georgia*—a great modern battleship to be built in a great Southern navy yard, and named for the Empire State of the South.

With $4,000,000 for further expansion of the Norfolk yard approved by the Budget for inclusion in a deficiency bill now to be presented to the present Congress, this yard will soon see even greater activity than is apparent today. Your yard is already a wonderful one but you can see it is to be made even greater.

We are proud with you and glad to share a part in the authorization of those things that are making your expansion possible.

Again I want to say how pleased we are to be in Norfolk and Portsmouth, the home community of NORMAN HAMILTON. Your Congressman is one of whom you can well feel proud. There is no Representative in the Congress who has a record for harder work or for greater accomplishment of those things for which he goes after. Mr. HAMILTON is one of the most valued and active members of the Naval Affairs Committee of the House.

We are for NORMAN HAMILTON, and we are sure you must be for him because he is ever after all of us at Washington in behalf of those things that will best benefit his constituency. If he is not after building ships at the Norfolk Navy Yard and other things that will improve your vast governmental activities here, he is then after doing things for the farmers of his district—talking potatoes, peanuts, and cotton.

ADDRESS OF MR. O'CONNOR

Mr. Secretary, Admiral Simons, officers, distinguished guests, ladies and gentlemen, and the 6,000 workers in this great Navy Yard of Norfolk, Va., permit me to first express my appreciation of the distinctive honor conferred upon me of being invited here today as the principal speaker, at the kind invitation of Admiral Simons, your commandant, and at the suggestion of the distinguished Member of Congress, the Representative of this district in the House of Representatives, my good friend NORMAN R. HAMILTON, of Portsmouth, and also at the suggestion of my good friend the Honorable MICHAEL J. STACK, Representative from Philadelphia, and a member of the great Naval Affairs Committee of the House of Representatives.

Permit me to say, in part, that during the 15 years I have been a Member of the House of Representatives, I have seen thousands of Members of that body and have come to know them intimately. There is a certain measure applied to new Members; this yardstick includes personality, intelligence, and industry. May I say, with all sincerity, that your Congressman, NORMAN HAMILTON, possesses all these qualifications.

If the Norfolk Navy Yard misses out on what it thinks it ought to get it will not have been due to any lethargy on the part of your Congressman.

This great gathering here today is foregathered for the purpose of launching two great ships of the United States Navy. The professional pacifists—which is another way of saying Communists—will say that these two beautiful ships portend war. Well, of course, if you peel a professional pacifist, you will find a militaristic "red" who would leave our country absolutely defenseless against other nations, except possibly Russia.

To my mind, these two graceful crafts are indicia of national defense—not war. The basis of their conception is to preserve this great democratic Republic against the onslaught of any or all nations. Does any red-blooded American contend against us doing that?

It is so trite it is hardly worth while of repetition that the greatest safeguard for peace is preparedness for war. Any thinking American will subscribe to our program to provide a navy sufficient to stand out there 2,000 miles in the Atlantic and the Pacific and repel any threat of the invasion of our shores by any nation—bar none. Anything less will not suffice, and these two gallant ships, when they are floated today, will join that great American armada as a contribution to the security of America and the peace of the world.

There is a great temptation on my part today to review the illustrious career of the two distinguished men after whom these destroyers are named. That temptation naturally arises from the fact that my name happens to be O'CONNOR, and that my good friend, "MIKE" STACK, of Philadelphia, is interested in this ceremony. His attractive little daughter will christen the U. S. S. *Stack*.

Add to that the historical fact that the two great men after whom these ships are named were both born in Ireland. Coincidences are the strangest happenings of our lives.

This ship here is named after Lt. Edward Stack, of the United States Marine Corps.

Edward Stack was born at Kealand, County Kerry, Ireland, April 26, 1756, and died at Calais, France, December 1833.

When John Paul Jones began to recruit French volunteers for the *Bonhomme Richard*, Stack was a sublieutenant in Walsh's famous regiment of Marine Artillery, attached to the French Navy. He received permission from the French naval authorities to join Jones' expedition. Stack was given an appointment as second lieutenant of marines, February 4, 1779. He was placed in command of the division in the main top during the fight with the *Serapis*, September 23, 1799, where he served with great bravery and was especially mentioned in Jones' report of the action. The success of Jones on this occasion was very largely due to superiority aloft where the Americans drove the British out of their tops and harassed them on deck. A grenade thrown from aloft fired a chain of ammunition on the *Serapis* and caused a severe explosion which was a principal factor in her surrender.

Edward Stack continued in the United States service until 1780, when he returned to duty in the French Army. For his distinguished service on the *Bonhomme Richard*, the King of France promoted him to a captaincy in the French Army, with an annuity of 400 livres, and permitted him to retain his commission in the United States Marine Corps.

Captain Stack came to America as aide de camp to the Marquis de Viomenil and served throughout all the campaigns of that army during the Revolutionary War.

He was one of the original members of the Order of the Cincinnati in France, his name being proposed by John Paul Jones with the highest commendation of his service.

This other ship is named after Vice Admiral Stephen C. Rowan, of the United States Navy.

Born in Ireland in 1805, he was appointed midshipman in the United States Navy in 1826; took active part in the War with Mexico and in the acquisition of California. In 1861 he was in command of the *Pawnee*; he took part in the capture of forts at Hatteras Inlet.

In 1826 he performed conspicuous service in command of a flotilla in the sounds of North Carolina, and in the attack of the Army and the Navy on Roanoke Island. Soon after this action, Rowan proceeded with 14 gunboats into Albemarle Sound and decisively defeated a squadron of Confederate gunboats in a sharp engagement lasting more than an hour. For his brilliant achievements he was promoted to the rank of commodore.

He commanded naval forces at the fall of New Bern and participated at Forts Wagner, Gregg, and Moultrie. He commanded *New Ironsides* off Charleston.

In 1870 he was made vice admiral of the Navy in recognition of his distinguished service.

There in those great ways, procured for this yard by Congressman Hamilton, will soon rise the form of a giant battleship.

Please let me say that these great symbols of the United States are not solely accounted for by reason of the illustrious heroes after whom they are named, nor are they the result of blueprints or specifications drawn in Washington. They are the handiwork of our American workers, 6,000 of whom in this great navy yard can look today with pride in their hearts at the accomplishments of their craftsmanship. There is an oft-told tale of a bricklayer working on a church when somebody came along and said, "Pat, what are you doing, laying bricks?" and Pat replied, "No; I am building a cathedral."

Each and every one of you men in this navy yard can hold his head high to the sun and as he watches these two ships floated in the water, he can say to himself, "Well, there's my contribution to the defense and the perpetuation of the United States of America."

ADDRESS OF MR. STACK

Admiral, my dear colleagues of the House, distinguished guests, ladies, gentlemen, and employees of the Norfolk Navy Yard, first, let me thank you from the bottom of my heart for the great honor you conferred on my little daughter, Mary Teresa, when you selected her to be the sponsor of the U. S. S. *Stack*. I am sure Mary Teresa, her mother, and the other members of the family and myself will consider May 5, 1938, as a red-letter day for the Stack family.

Lt. Edward Stack rendered signal services to your country and my adopted country in the *Bonhomme Richard* engagement with the *Serapis*, for which John Paul Jones cited him for bravery, and for which a grateful country, your country and my country, today is honoring his name by calling this modern destroyer after him.

We Americans, by adoption or by birth, love peace, but nevertheless are sensible pacifists; we believe in an adequate defense navy.

I hope the U. S. S. *Stack* will never have to engage in warfare, but if she does I am confident she will give as good an account of herself as the man, Lt. Edward Stack, for whom she was christened.

We who came from Philadelphia to celebrate with you, appreciate all the hospitality that your good citizens are giving us, particularly your chamber of commerce, the Elks, the Veterans of Foreign Wars, the American Legion, and your fine patriotic citizen, Rev. Father Blackburn. All who came with me from Philadelphia have repeated, over and over again, to me the wonderful treatment they have gotten from you, and I know your city will be well and favorably advertised by them.

Today is a very warm day and I do not want to detain you much longer, but I cannot let this opportunity pass without paying my humble respects to your very able Representative, NORMAN HAMILTON. He is a member of the Naval Affairs Committee with me, and

I value his good naval understanding of things and his statesmanship.

This morning while in one of your barber shops I happened to meet your city manager, Mr. Harper. He discovered that I was one of the visiting Congressmen and immediately asked me what kind of a Congressman Representative HAMILTON was. I told him that he was a very good Congressman; that he was too damn good; that he wanted everything for the Norfolk yard to the detriment of the Philadelphia yard, from which city I happen to hail. Congressman HAMILTON does some real thinking in the Halls of Congress for the good people of the second district of Virginia.

PERSONAL EXPLANATION

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

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, the gentleman from Pennsylvania [Mr. SNYDER], who is a member of the subcommittee of the Committee on Appropriations that drafted the House Joint Resolution 679, the so-called recovery resolution, and who worked faithfully and diligently and taxed his strength severely for many weeks during the preparation of that measure, is ill at Walter Reed Hospital. He has asked me to state to the House that had he been present at the roll call on the passage of the bill he would have voted aye.

FLOOD-CONTROL BILL

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that I may have until tomorrow at midnight, Friday, May 13, to file a report upon the bill H. R. 10618, commonly known as the flood-control bill.

The SPEAKER. Is there objection?

There was no objection.

WAGES OF RAILROAD WORKERS

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

WE MUST MAINTAIN RAILROAD WORKERS' WAGES

Mr. LAMNECK. Mr. Speaker, announcement has just been made by the Nation's railroads that, effective July 1, they will reduce the wages of their employees by 15 percent.

This is indeed a tragic situation. Approximately a million men receiving more than one and three-quarter billion dollars in annual wages, will be affected by this cut, if it is carried into effect. The total amount of the annual reduction will be in round figures more than a quarter of a billion dollars.

What this really means is that a quarter of a billion dollars per year less will be spent by the Nation's loyal railway workers for food, clothing, rent, and the other necessities of life. Railroad men as a class are family men. A generous part of their none-too-high earnings go for the sort of commodities indicated. They are generous contributors to the active channels of commerce of our Nation. In a word, they are spenders and builders. They are not tightwads and they do not fritter their money away for things that do not go toward upbuilding the sinews of business in the United States.

When I talk of this fine class of citizens, I know whereof I speak. Fortunately, I have thousands of railway employees in the district which I have the honor to represent. Most of them are my warm personal friends. I have known them nearly all my life. When I was in business I had many dealings with them. I have visited in their homes and they have visited in mine. This close association with them has made me honor and respect them. I feel the blow which is about to descend upon this worthy class of American citizens as keenly as if a member of my own family were to be affected.

Do not understand what I am saying about this wage cut to be a criticism of the steam railway operators. I regret exceedingly that they could not find some other way to effect the savings that they seek to make by this reduction in wages, but I appreciate also many of the difficulties which confront them. I firmly believe that they have taken this step as a last and seemingly necessary recourse.

The blame for this unfortunate circumstance belongs on the Interstate Commerce Commission. Much as I regret to say it, the Commission has in this instance, I believe, failed to grasp the facts in the situation and thus has inflicted this pending penalty on the workers. If the Commission had granted the increases in freight and passenger rates recently sought by the railways this proposed wage cut could have been avoided. The operating companies sought a general freight increase of 15 percent. Only a temporary increase of about 5 percent was granted. At the same time the eastern railroads sought to increase their passenger rate from 2 to 2½ cents a mile, but the Commission did not see fit to give them any increase at all in passenger rates. If these requests had been granted there would probably have been no effort made to cut wages.

It is unfortunate, indeed, that the transportation situation in the United States has been permitted to drift into its present chaotic state and that the workers must pay for the general legislative neglect of their industry. Nobody who has given the slightest attention to the situation need be surprised at the condition in which the country now finds its transportation. Whether it always has been apparent in the financial statements or not, steam railway transportation has been on the downgrade in this country for almost 2 decades. I shall not attempt to enumerate all the causes of it, but competition and increased material and tax costs have been enormous contributing factors. True, there was a 10-percent wage increase last year, but this necessary added expense was only a drop in the bucket as compared to the total amount of increased costs.

Official figures show that average revenues per ton and passenger miles have gone down steadily during the last 17 years. Freight actually is being hauled today at an average rate of less than 1 cent a ton per mile. There is no question in the mind of any reasonable man that this is not a fair rate. Passenger fares are less than 2 cents a mile, and, while some contend that low passenger fares make for increased revenue, the fact remains that passenger traffic is not paying its way generally. The question of efficiency of management has been a controversial one, but undoubtedly there have been improvements in many directions. Nevertheless, approximately a hundred railways in the United States are in the hands of receivers or trustees for the simple reason that they have not been able to make enough money to pay their bills.

What has happened in the steam railroad field is that managements have just been skimming along with the least possible amount of expenditure. Because they have not had the money they have not been buying the rolling stock they need. I am informed that during the next two decades, if the money were in sight, they would purchase new freight cars at the rate of 100,000 per year, at an annual expenditure of $300,000,000. They also could use 2,000 locomotives annually at a similar cost. Other equipment expenditures, which would be made if the money were available, I am informed, would bring the annual expenditures for these items alone up to $750,000,000 or a billion dollars a year. What a joyous substitute, indeed, this would be for governmental pump priming.

However, this money is not in sight. Nor is there money in sight to carry on as has been done in the immediate past. The whole problem cries to high heaven for careful study and intelligent solution. But not only are these two long-range steps not being taken, but immediate relief is denied and the blow falls directly on the workers' shoulders.

It is a sad situation when the boys on the trains, in the roundhouses and out in the yards have to carry the staggering burden of a nation's failure to meet one of its major problems openly and fearlessly.

I do not maintain that the 15-percent increase in freight rates would have brought about a permanent solution of the steam railway problem. Far from it. This problem will require years to solve. I do insist, however, that if this just request for rate increases had been granted, the burden of it would have been spread out thinly over our entire

population and would not have been severely felt by any one. Instead of this easy temporary solution of the problem, we have the load placed squarely on the shoulders of less than 1 percent of our population, the rank and file of railway workers.

The workers are planning to resist the proposed cut, and I am hopeful that some plan will be evolved that will make possible a maintenance of present wages. At this time I do not see how this is going to be accomplished. However, A. F. Whitney, president of the Brotherhood of Railroad Trainmen, one of the largest of the railway labor groups, declared after the announcement was made today that the cut would not be put into effect. He insisted that such a wage decrease would "influence a further downward spiral of business that will injure the railroads as well as other lines of business." Unquestionably, there is merit in his contention that a cut would be felt by business generally.

The most helpful aspect of the entire situation is that approximately 7 weeks will elapse before the proposed cut goes into effect. This is one of the fine things about steam railway labor affairs in this country. Both men and management are of such high type that they strive earnestly to work out their problems fairly to themselves and the public.

It seems to me that despite the previous ruling of the Interstate Commerce Commission something still might be done to grant a temporary increase in freight rates. Such a step, I am sure, would have the general approval of the entire country. It will not approve the infliction of this unwarranted penalty on the men who toil with their hands to keep our great rail transportation system operating.

LEGISLATIVE APPROPRIATION BILL, 1939—CONFERENCE REPORT

Mr. DOCKWEILER. Mr. Speaker, I call up the conference report upon the bill (H. R. 10216) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1939, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10216) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1939, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 17 and 18.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 20, 21, 22, 23, 24, and 25, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$8,260"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: ": *Provided further*, That the Capitol Police Board is hereby authorized to detail police from the House and Senate Office Buildings for police duty on the Capitol Grounds"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4 and 5.

JOHN F. DOCKWEILER,
LOUIS C. RABAUT,
J. O. FERNANDEZ,
JOHN M. HOUSTON,
D. LANE POWERS,
Managers on the part of the House.

M. E. TYDINGS,
JAMES F. BYRNES,
ALVA B. ADAMS,
PAT MCCARRAN,
FREDERICK HALE,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10216) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1939, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Senate

On amendments Nos. 1, 2, and 3, relating to the office of the Secretary: Provides three clerks at $2,640 each, as proposed by the Senate, instead of two clerks at $2,640 each, as proposed by the House; appropriates $1,522.50 for a messenger from April 15, 1938, to June 30, 1939, as proposed by the Senate; and corrects the total of the appropriations for the office of the Secretary.

On amendments Nos. 6, 7, 8, and 9, relating to the office of Sergeant at Arms and Doorkeeper: Provides for four attendants in charge of ladies' retiring rooms, as proposed by the Senate, instead of three, as proposed by the House; appropriates $2,400 for an assistant superintendent in the press gallery, as proposed by the Senate; eliminates one messenger to press correspondents at $2,160, as proposed by the Senate; and corrects the total of the appropriations made for this office.

On amendment No. 10: Strikes out, as proposed by the Senate, the proviso attached to the appropriation for the repair and equipment of Senate kitchens and restaurants, requiring the addition of a minimum of 10 percent to each order in excess of 10 cents served in such restaurants and 20 percent to orders served outside of such restaurants.

On amendment No. 11: Appropriates $8,260 for operating and maintaining motor vehicles under the offices of the Secretary and Sergeant at Arms instead of $7,960 as proposed by the House and $9,285 as proposed by the Senate.

On amendments Nos. 12, 13, and 14: Appropriates $350 for postage stamps for the office of the Secretary, as proposed by the Senate, instead of $250, as proposed by the House, and $150 for the same purpose for the office of the Sergeant at Arms, as proposed by the Senate, instead of $100, as proposed by the House, and corrects the total of funds to be expended for such purpose.

On amendments Nos. 15 and 16: Consolidates, as proposed by the Senate, the provisions of the House bill appropriating $5,000 for the purchase of furniture and $3,000 for materials for the repair of same.

House of Representatives

On amendments Nos. 17 and 18: Appropriates $3,300 for the clerk of the Committee on Claims, as proposed by the House, instead of $3,700, as proposed by the Senate, and corrects the total of the appropriation for committee employees in accordance with such action.

Capitol Police

On amendment No. 19: Restores the provision of the House permitting the detail of police from the House and Senate Office Buildings to work on the Capitol Grounds, amended so as to permit the detail of such police for police duty on such grounds.

Architect of the Capitol

On amendment No. 20: Appropriates $6,000, as proposed by the Senate, for subway transportation between the Capitol and Senate Office Building instead of $2,000 for such purpose, as proposed by the House.

On amendment No. 21: Appropriates $1,560 for increasing the salaries of 26 custodial employees for the Senate Office Building from $1,080 to $1,140, as proposed by the Senate.

On amendment No. 22: Appropriates $5,000 for metal filing units for the Senate Office Building, as proposed by the Senate.

On amendment No. 23: Appropriates $375,240 for maintenance of the House Office Buildings, as proposed by the Senate, instead of $370,200, as proposed by the House.

On amendment No. 24: Perfects language relating to air-conditioning refrigeration, as proposed by the Senate.

Botanic Garden

On amendment No. 25: Authorizes the use of not to exceed $250 for traveling expenses of the Director and his assistants, as proposed by the Senate, instead of $100, as proposed by the House.

Amendments in disagreement

The committee of conference report in disagreement the following amendments of the Senate:

On amendments Nos. 4 and 5: Relating to an increase in the salary of an assistant clerk to the Senate Committee on Indian Affairs.

JOHN F. DOCKWEILER,
LOUIS C. RABAUT,
J. O. FERNANDEZ,
JOHN M. HOUSTON,
D. LANE POWERS,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment numbered 4: Page 5, line 11, after the figures "$3,600", insert "and $1,400 additional so long as the position is held by the present incumbent."

Mr. DOCKWEILER. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment numbered 5: Page 7, line 5, strike out "$504,060" and insert in lieu "$505,600."

Mr. DOCKWEILER. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

MEMORIAL TO NEWTON D. BAKER

Mr. KELLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 656, to provide for the erection of a memorial to the memory of Newton D. Baker.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I do not think this late hour is any time to bring up new legislation. I shall object.

Mr. KELLER. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. MARTIN of Massachusetts. I am going to object to its consideration at this late hour.

The SPEAKER. Objection is heard.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock on Monday next.

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

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday next may be in order on Tuesday. I may say in submitting this request that I have discussed it with the minority leader.

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

There was no objection.

EXTENSION OF REMARKS

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some observations and figures written by a constituent in my district, Mr. Thomas Peck.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS, Mr. BINDERUP, and Mr. HILL asked and were given permission to extend their remarks in the RECORD.

Mr. GEHRMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech made by Governor La Follette, of Wisconsin, a few days ago.

The SPEAKER. Without objection, it is so ordered.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio dialog between myself and Mr. Combs, president of the National Rural Letter Carriers' Association.

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

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of spending, including an editorial recently published in that connection.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks with reference to the F. B. I. deficit and to include some brief excerpts from letters, resolutions, and newspaper comments.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 623. Joint resolution making available additional funds for the United States Constitutional Sesquicentennial Commission.

ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 15 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, May 16, 1938, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

The first notice appearing below, regarding Mr. MALONEY'S subcommittee meeting scheduled for Friday, May 13, 1938, has now been definitely postponed.

There will be a meeting of Mr. MALONEY'S subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Friday, May 13, 1938. Business to be considered: Hearing on H. R. 4358, train dispatchers' bill.

There will be a meeting of Mr. SADOWSKI'S subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, May 18, 1938, for the consideration of H. R. 9739, to amend the Motor Carrier Act.

COMMITTEE ON NAVAL AFFAIRS

There will be a full open hearing before the Committee on Naval Affairs Monday, May 16, 1938, at 10:30 a. m., for the consideration of H. R. 4281, authorizing the Secretary of the Navy to construct and maintain a Government radio broadcasting station; authorizing the United States Commissioner of Education to provide programs of national and international interest; making necessary appropriations for the construction, maintenance, and operation of the station and production of programs therefor; and for other purposes.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold public hearings Wednesday, May 18, 1938, at 10:30 a. m., in Room 445, House Office Building, for the consideration of H. R. 9907, and other unfinished business.

COMMITTEE ON THE JUDICIARY

There will be a hearing held before the Committee on the Judiciary, Wednesday, May 18, and Thursday, May 19, 1938, on the resolutions proposing to amend the Constitution of the United States to provide suffrage for the people of the District of Columbia. The hearing will be held in the caucus room of the House Office Building beginning at 10 a. m. on the days mentioned.

EXECUTIVE COMMUNICATIONS, ETC.

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

1311. A communication from the President of the United States, transmitting a recommendation for reduction in a supplemental estimate of appropriation for unemployment-compensation administration, as authorized in title III of the Social Security Act, from $7,000,000 to $4,500,000 (H. Doc. No. 627); to the Committee on Appropriations and ordered to be printed.

1312. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1938, to remain available until June 30, 1939, amounting to $72,500, for the Department of State (H. Doc. No. 628); to the Committee on Appropriations and ordered to be printed.

1313. A communication from the President of the United States, transmitting a deficiency estimate for foreign mail transportation, 1935, in the amount of $6,412.08, together with proposed provisions affecting existing appropriations

for the Post Office Department for the fiscal year 1939 (H. Doc. No. 629); to the Committee on Appropriations and ordered to be printed.

1314. A communication from the President of the United States transmitting a supplemental estimate of appropriation for the fiscal year ending June 30, 1939, for the Department of Agriculture, amounting to $35,000 (H. Doc. No. 630); to the Committee on Appropriations and ordered to be printed.

1315. A letter from the Acting Secretary of War, transmitting the draft of a bill to provide for the exploitation of oil, gas, and other minerals on the lands comprising the Ellington Field Military Reservation, Tex.; to the Committee on Military Affairs.

1316. A letter from the Acting Secretary of the Interior, transmitting a draft of a bill to provide for the ratification of statutes of Puerto Rico which have been passed in the form of joint resolutions instead of in the form of acts; to the Committee on Insular Affairs.

1317. A letter from the Secretary of State, transmitting a draft of a proposed bill to amend an act entitled "An act providing for the public printing and binding and the distribution of public documents," approved January 12, 1895, as amended, together with a supporting memorandum of April 26, 1938, which sets forth the reasons why such an amendment is necessary; to the Committee on Printing.

1318. A letter from the assistant of the Secretary, Department of Labor, transmitting a draft of a bill relative to an exchange of lands between the Department of Labor and the War Department, affecting the reservations pertaining to the Honolulu immigration station and Fort Armstrong; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 9287. A bill to authorize the Cairo Bridge Commission, or the successors of said commission, to acquire by purchase, and to improve, maintain, and operate a toll bridge across the Mississippi River at or near Cairo, Ill.; with amendment (Rept. No. 2343). Referred to the House Calendar.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 10076. A bill to create the White County Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to purchase, maintain, and operate a bridge across the Wabash River at or near New Harmony, Ind.; with amendment (Rept. No. 2344). Referred to the House Calendar.

Mr. WITHROW: Committee on Interstate and Foreign Commerce. H. R. 10225. A bill to amend section 6 of chapter 64, approved April 24, 1894 (U. S. Stat. L., vol. XXVIII, 2d sess., 53d Cong.), being an act entitled "An act to authorize the construction of a steel bridge over the St. Louis River, between the States of Wisconsin and Minnesota"; with amendment (Rept. No. 2345). Referred to the House Calendar.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. H. R. 10261. A bill authorizing the town of Friar Point, Miss., and Coahoma County, Miss., singly or jointly, to construct, maintain, and operate a toll bridge across the Mississippi River from a point at or near the town of Friar Point, Coahoma County, Miss., to a point at or near Helena, Phillips County, Ark.; with amendment (Rept. No. 2346). Referred to the House Calendar.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. H. R. 10275. A bill to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point and Dauphin Island, Ala.; with amendment (Rept. No. 2347). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 10297. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.; with amendment (Rept. No. 2348). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 10346. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr.; with amendment (Rept. No. 2349). Referred to the House Calendar.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. H. R. 10611. A bill to extend the times for commencing and completing the construction of a bridge across the Coosa River at or near Gilberts Ferry in Etowah County, Ala.; without amendment (Rept. No. 2350). Referred to the House Calendar.

Mr. GOLDSBOROUGH: Committee on Banking and Currency. H. R. 10608. A bill relating to loans to railroads by the Reconstruction Finance Corporation, and for other purposes; without amendment (Rept. No. 2351). Referred to the Committee of the Whole House on the state of the Union.

Mr. SATTERFIELD: Committee on the Judiciary. H. R. 8794. A bill to provide for terms of the district court at Newport News, Va.; without amendment (Rept. No. 2352). Referred to the Committee of the Whole House on the state of the Union.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mrs. NORTON: Committee on Labor. House Resolution 490. Resolution requesting the President to furnish certain information relative to the National Labor Relations Board (Rept. No. 2342). Laid on the table.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. WHITTINGTON: A bill (H. R. 10618) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; to the Committee on Flood Control.

By Mr. FISH: A bill (H. R. 10619) making ineligible for appointment in the Diplomatic Service of the United States any person who contributes or loans to a political party a sum exceeding $10,000; to the Committee on Foreign Affairs.

By Mr. LEA: A bill (H. R. 10620) to remove existing reductions in compensation for transportation of Government property and troops incident to railroad land grants; to the Committee on Interstate and Foreign Commerce.

By Mr. BOREN: A bill (H. R. 10621) to protect the production and marketing of goods and materials essential to the national defense, and for other purposes; to the Committee on Military Affairs.

By Mr. SCRUGHAM: A bill (H. R. 10622) authorizing the Secretary of the Interior, through the Director of the Bureau of Mines and the Director of the Geological Survey, to make scientific, technological, and economic investigations, and for other purposes; to the Committee on Mines and Mining.

By Mr. BYRNE: A bill (H. R. 10623) to make available certain sums to States which failed in 1936 or 1937 to take full advantage of the credit provisions of the Social Security Act; to the Committee on Ways and Means.

By Mr. HEALEY: A bill (H. R. 10624) to prohibit judges of the district courts of the United States from participating in cases involving matters in which they have acted as counsel, and for other purposes; to the Committee on the Judiciary.

By Mr. HENDRICKS: A bill (H. R. 10625) to authorize the coinage of 50-cent pieces in commemoration of the commencement on March 2, 1937, of the Historical Restoration Program at St. Augustine, Fla.; to the Committee on Coinage, Weights, and Measures.

By Mr. VINSON of Georgia: Resolution (H. Res. 499) making S. 2338 and H. R. 10433, bills to authorize the Secretary of the Navy to proceed with the construction of cer-

tain public works, and for other purposes, a special order of business; to the Committee on Rules.

By Mr. O'NEAL of Kentucky: Joint resolution (H. J. Res. 683) to provide for an additional tax on whisky; to the Committee on Ways and Means.

By Mr. DREW of Pennsylvania: Joint resolution (H. J. Res. 684) to create a joint congressional committee to receive, consider, and prepare proposals for a national highway from Jersey City, N. J., to the city of Washington, D. C., and to make reports and recommendations thereon to the Congress; to the Committee on Rules.

By Mr. HAMILTON: Joint resolution (H. J. Res. 685) to provide for temporary operation by the United States of certain steamships, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER: Joint resolution (H. J. Res. 686) to create a temporary National Economic Committee; to the Committee on the Judiciary.

By Mr. FISH: Concurrent resolution (H. Con. Res. 50) requesting that the Secretary of State urge the British Government to increase Jewish immigration to Palestine; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. DOWELL: A bill (H. R. 10626) granting an increase of pension to Nancy J. Halterman; to the Committee on Invalid Pensions.

By Mr. GILDEA: A bill (H. R. 10627) for the relief of Mike Kotis; to the Committee on Immigration and Naturalization.

By Mr. HART: A bill (H. R. 10628) for the relief of James Havey; to the Committee on Claims.

By Mr. RYAN: A bill (H. R. 10629) for the relief of the village of Gaylord, Minn.; to the Committee on Claims.

By Mr. WEARIN: A bill (H. R. 10630) for the relief of J. Milton Sweney; to the Committee on Claims.

PETITIONS, ETC.

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

5105. By Mr. CURLEY: Petition of United Federal Workers of America, urging one-step increases for custodial employees of the Post Office Department; to the Committee on the Post Office and Post Roads.

5106. Also, petition of United Cannery Agricultural Packing and Allied Workers of America, urging enactment of House bill 9745; to the Committee on the Judiciary.

5107. Also, petition of United Federal Workers of America, urging enactment of House bill 8428, known as the Civil Service Appeal Act; to the Committee on the Civil Service.

5108. Also, petition of Interstate Conference of Unemployment Compensation Agencies, Washington, D. C., urging that the United States Employment Service be transferred to the United States Social Security Board; to the Committee on Labor.

5109. By Mr. FISH: Petition signed by Maurice R. Dey and 20 other residents of Orange County, N. Y., requesting continuance of the Federal art project under the Works Progress Administration; to the Committee on Appropriations.

5110. By Mr. LUTHER A. JOHNSON: Memorial of Mrs. C. C. Pitts, State president, Ladies' Auxiliary to T. R. L. C. A., of Texas, favoring legislation liberalizing retirement to civil-service employees, including widows; to the Committee on the Civil Service.

5111. By Mr. KEOGH: Petition of New York City Federation of Women's Clubs, Inc., concerning House bill 9909, wool-labeling bill; to the Committee on Interstate and Foreign Commerce.

5112. By Mr. SHAFER of Michigan: Resolution of the Michigan Construction Federation, relating to the employment of labor by the Government or any political subdivision thereof; to the Committee on Labor.

5113. By the SPEAKER: Petition of Kings County Consolidated Civic League, Brooklyn, N. Y., petitioning consideration of their resolution No. 91, with reference to the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

SENATE

FRIDAY, MAY 13, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, May 12, 1938, was dispensed with, and the Journal was approved.

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, who also announced that the President had approved and signed the following acts and joint resolution:

On April 29, 1938:

S. 1279. An act to authorize the sale, under the provisions of the act of March 12, 1926 (44 Stat. 203), of surplus War Department real property; and

S. 1882. An act for the relief of the Consolidated Aircraft Corporation.

On May 9, 1938:

S. 477. An act to prevent fraud, deception, or other improper practice in connection with business before the United States Patent Office, and for other purposes;

S. 3351. An act to permit the issuance of certain certificates under the shipping laws by inspectors of hulls, inspectors of boilers, and designated assistant inspectors;

S. 3459. An act to authorize the Secretary of War to acquire by donation land at or near Fort Missoula, Mont., for target range, military, or other public purposes; and

S. J. Res. 256. Joint resolution to amend the joint resolution entitled "Joint resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs," approved April 6, 1937.

On May 11, 1938:

S. 2307. An act to provide for the conservation of the fishery resources of the Columbia River, establishment, operation, and maintenance of one or more stations in Oregon, Washington, and Idaho, and for the conduct of necessary investigations, surveys, stream improvements, and stocking operations for these purposes;

S. 2986. An act to amend section 6 of the act approved May 27, 1936 (49 U. S. Stat. L. 1380);

S. 2221. An act to facilitate the control of soil erosion and flood damage originating upon lands within the exterior boundaries of the Cache National Forest in the State of Utah; and

S. 2689. An act to regulate the leasing of certain Indian lands for mining purposes.

On May 12, 1938:

S. 1998. An act to amend the act entitled "An act to provide for the collection and publication of statistics of peanuts by the Department of Agriculture," approved June 24, 1936.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10216) making