UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 76th CONGRESS, THIRD SESSION

SENATE

THURSDAY, MAY 9, 1940

(Legislative day of Wednesday, April 24, 1940)

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

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

Most Holy Father, in the hush of this moment we are moved to adoration as we bow before Thee. Breathe upon us the quiet breath of Thy Spirit, that it may fan to flame our smoldering faith. Grant that we may hear the gentle whisper of Thy voice as it comes from the inward presence of our God, inspiring and directing us to an utter consecration to the duties of the day.

Some of us may have learned to bless Thee for the darker days which served to quicken faith and high endeavor, but now we pray that all of us may have strengthened patience for whatever weary hours may lie ahead. In moments of depression may we trust not to changing tides of feeling, but to Thee, our God, who changest not. Hasten the day of earth's redemption, when sin, sorrow, and death shall be done away, when love shall reign triumphant in the hearts of men, and Thou shalt call us home to the shelter of Thine everlasting arms. We ask it in the name of Thy blessed Son, Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Wednesday, May 8, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

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

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	Burke	Downey	Holman
Ashurst	Byrd	Ellender	Hughes
Austin	Byrnes	Frazier	Johnson, Calif.
Bailey	Capper	Gerry	Johnson, Colo.
Bankhead	Caraway	Gillette	King
Barbour	Chandler	Glass	La Follette
Barkley	Chavez	Guffey	Lee
Bilbo	Clark, Idaho	Gurney	Lodge
Bone	Clark, Mo.	Hale	Lucas
Bridges	Connally	Harrison	Lundeen
Brown	Danaher	Hatch	McCarran
Bulow	Davis	Hayden	McKellar
McNary	Overton	Sheppard	Thomas, Utah
Maloney	Pepper	Shipstead	Townsend
Mead	Pittman	Slattery	Truman
Miller	Radcliffe	Smathers	Tydings
Minton	Reed	Smith	Vandenberg
Murray	Reynolds	Stewart	Van Nuys
Norris	Russell	Taft	Wagner
Nye	Schwartz	Thomas, Idaho	Walsh
O'Mahoney	Schwellenbach	Thomas, Okla.	Wiley

Mr. MINTON. I announce that the Senator from Georgia [Mr. GEORGE] is absent from the Senate because of illness.

The Senator from Rhode Island [Mr. GREEN] is unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from Ohio [Mr. DONAHEY], the Senator from Iowa [Mr. HERRING], the Senator from Alabama [Mr. HILL], the Senators from West Virginia [Mr. HOLT and Mr. NEELEY], and the Senator from Montana [Mr. WHEELER] are necessarily detained.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

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

THE FARM MORTGAGE PROBLEM—RESOLUTION OF THE MISSISSIPPI SENATE

Mr. HARRISON. Mr. President, on behalf of my colleague [Mr. BILBO] and myself, I present for appropriate reference a memorial in the form of a Senate resolution of the Legislature of the State of Mississippi, urging the early enactment of the Wheeler-Jones farm-mortgage bill (S. 3509 and H. R. 8748), which I request may be printed in the RECORD under the rule.

The VICE PRESIDENT. Without objection, the resolution presented by the Senator from Mississippi will be received, referred to the Committee on Banking and Currency, and printed in the RECORD under the rule.

The resolution is as follows:

Whereas the farm-mortgage problem is one of great importance to the American people and particularly to Mississippi, where so large a portion of the people are engaged in agriculture; and

Whereas of the 6,000,000 farms in the United States 2,350,000 are mortgaged in an aggregate amount of approximately $7,000,000,000; and

Whereas on March 26, 1940, Secretary of Agriculture Wallace stated that about 25 percent of the farm-mortgage debt of the country is either delinquent or has had the payments due a year ago extended; and

That on January 1, 1940, a total of 139,369, or 22½ percent, of the Federal land-bank loans were delinquent or had their installments extended; and

Whereas the Wheeler-Jones bill provides for the scaling down of farm mortgages and a permanent reduction of interest and gives the present occupant of a farm an opportunity to rehabilitate himself on the present farm: Now, therefore, be it

Resolved, That the Senate of the State of Mississippi memorialize the Congress of the United States to bring to successful passage

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this legislation known as S. 3509 and H. R. 8748, being companion measures, in order that the benefits of this act may be extended to the farmers of the Nation: Be it further

Resolved, That a copy of this resolution be sent to the Clerk of the House of Representatives in Washington and Secretary of Agriculture and to the Mississippi delegation in Congress.

EXPENDITURES FOR FLOOD CONTROL IN THE VERDIGRIS RIVER VALLEY, KANS.—MEMORIALS

Mr. REED. Mr. President, I ask consent to present a number of memorials from citizens and organizations, all in the State of Kansas, remonstrating against the great expenditures for so-called flood control in the Verdigris River Valley in Kansas, which I ask to have referred to the Committee on Commerce.

These memorials are signed, respectively, by—

Paul D. Daniel and 920 other citizens in district No. 1, Quincy Township, Greenwood County;

D. F. Pew, of Longton, Elk County, and 31 other citizens living in the Verdigris River Valley—3 separate memorials;

B. M. Edward, of Longton, Elk County, Kans., and 40 other citizens living in the same valley;

Cecil P. Lewis, route 1, Neodesha, and 225 other citizens living in the same valley;

Charles H. Smith, Fredonia, Wilson County, master of Centralia Grange No. 1570, and 2 other officers, expressing the opposition of its 75 members;

L. W. Davis, of Elk City, Montgomery County, and 29 other citizens living in the same valley—3 separate memorials;

W. H. Cranor, of Altoona, Wilson County, master, and 2 other officers of the Buffville Grange, expressing the unanimous opposition of its 87 members to the proposed flood-control project in the same valley—3 separate memorials;

C. E. Jones, farmer and landowner, of Neodesha, Wilson County, and five other residents of that city, who are located in the same valley;

Mrs. Maude M. Ure, of Elk City, Montgomery County, and nine other citizens living in the same valley—three separate memorials;

Irvine Clubine, farmer, of Independence, and 108 other citizens living in the same valley—3 separate memorials; and

Charles Spencer, publisher, of Independence, and 91 other citizens living in the same valley—3 separate memorials.

The VICE PRESIDENT. Without objection, the memorials presented by the Senator from Kansas [Mr. REED] will be received and referred to the Committee on Commerce.

REPORTS OF COMMITTEES

Mr. ELLENDER, from the Committee on Claims, to which was referred the bill (S. 3749) to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of certain disbursing officers, and for other purposes, reported it without amendment and submitted a report (No. 1577) thereon.

He also, from the same committee, to which was referred the bill (S. 3597) for the relief of Vernon C. Brown and F. L. Copeland, reported it with an amendment and submitted a report (No. 1578) thereon.

Mr. HUGHES, from the Committee on Claims, to which was referred the bill (S. 3587) for the relief of Avis Collins, a minor, reported it with amendments and submitted a report (No. 1579) thereon.

Mr. OVERTON, from the Committee on Appropriations, to which was referred the bill (H. R. 9109) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1941, and for other purposes, reported it with amendments and submitted a report (No. 1580) thereon.

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 4282) to amend the act of June 30, 1936 (49 Stat. 2041), providing for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes, reported it without amendment and submitted a report (No. 1581) thereon.

FILMING OF MOTION PICTURES ON PUBLIC LANDS—REPORT OF A COMMITTEE

Mr. ASHURST, from the Committee on Public Lands and Surveys, to which was referred the resolution (S. Res. 262) authorizing an investigation with respect to the filming of motion or sound pictures on land belonging to the United States (submitted by Mr. ASHURST on April 24, 1940), reported it without amendment; and the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS INTRODUCED

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

By Mr. BILBO:

S. 3946. A bill for the relief of Joe L. McQueen; to the Committee on Claims.

By Mr. GUFFEY:

S. 3947. A bill to compensate the United States Ambassador to Poland and his wife for property lost by them as a result of the siege and capture of the city of Warsaw in September 1939; to the Committee on Claims.

By Mr. NYE:

S. 3948. A bill for the relief of Elmer Lindrud; to the Committee on Claims.

By Mr. CHANDLER:

S. 3949. A bill for the relief of the widow and children of Fred L. Dixon; to the Committee on Claims.

By Mr. CHANDLER (for himself and Mr. THOMAS of Utah):

S. 3950. A bill to promote the general welfare by providing for university extension work in the arts and sciences, in engineering and industry, in teacher education and in commerce and business, supplemental to and coordinate with the cooperative agricultural extension work authorized by previous acts, thus offering a well-rounded and greater program of university extension service from the land-grant colleges and State universities and utilizing to a greater extent their broad educational functions and research findings; to the Committee on Education and Labor.

By Mr. BARBOUR:

S. 3951. A bill to incorporate the Junior Cavalry of America; to the Committee on the Judiciary.

By Mr. KING:

S. 3952. A bill to provide relief for, and to promote the interest of, the landowners on the Uintah Indian irrigation project, Utah, and for other purposes; to the Committee on Indian Affairs.

By Mr. TAFT:

S. 3953. A bill for the relief of Caroline Janes; to the Committee on Claims.

By Mr. SHIPSTEAD:

S. 3954. A bill relating to the issuance by the Secretary of the Interior of a patent to the State of Minnesota for certain lands in that State; to the Committee on Indian Affairs.

By Mr. BULOW:

S. 3955 (by request). A bill to amend the act entitled "An act to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to certain employees in the legislative and judicial branches of the Government," approved July 13, 1937, as amended; to the Committee on Civil Service.

By Mr. PEPPER:

S. 3956. A bill for the relief of the Florida Citrus Exchange, the Growers Loan & Guaranty Co., and the Guaranty Operating Co.; to the Committee on Claims.

S. 3957. A bill relating to district judges; to the Committee on the Judiciary.

S. 3958. A bill to authorize the Secretary of the Treasury to grant to the Road Department of the State of Florida an easement for a road right-of-way over the Coast Guard Reservation at Flagler Beach, Fla.; and

S. 3959. A bill authorizing the Secretary of the Treasury to grant to the city of Fort Lauderdale, Fla., an easement or easements authorizing such city to construct and maintain a highway and utility facilities over the United States

Coast Guard Reservation known as Base Six at Fort Lauderdale, Fla.; to the Committee on Commerce.

By Mr. SHEPPARD:

S. 3960. A bill for advancement of officers in the Medical Administrative Corps, United States Army Reserve; to the Committee on Military Affairs.

By Mr. DOWNEY:

S. 3961. A bill for the relief of Joseph Arreas; to the Committee on Immigration.

REFERENCE OF A BILL

On motion by Mr. SMITH, the bill (H. R. 9594) to amend section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the transfer of funds to cover advances for crop insurance, was taken from the calendar and referred to the Committee on Agriculture and Forestry.

APPROPRIATIONS FOR RELIEF AND WORK RELIEF—AMENDMENT

Mr. KING submitted an amendment intended to be proposed by him to the House joint resolution making appropriations for relief and work relief, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the end of the resolution, to insert the following new section: "SEC. —. The Commissioner of Work Projects is authorized and directed to so allocate the funds appropriated by section 1 of the Emergency Relief Appropriation Act of 1939 as to provide opportunity for employment on work projects in the State of Utah during the months of May and June, 1940, to an average of not less than 15,975 persons."

NOTICE OF MOTION TO SUSPEND THE RULES—AMENDMENT TO DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. OVERTON submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 9109) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1941, and for other purposes, the following amendment, namely:

On page 77, line 14, before the semicolon insert the following: ": *Provided further*, That not exceeding $15,000 of the foregoing appropriation shall be available for the preparation of plans, working drawings, and specifications for the construction of an underpass at Scott Circle, including necessary changes in surface and underground structures within public property areas now occupied by roadways, sidewalks, walkways, parking and park reservations: *Provided further*, That upon the completion and approval of such plans by the Commissioners of the District of Columbia the said Commissioners are authorized to submit the project as a Federal-aid highway project to the Public Roads Administration under the provisions of the Federal Aid Highway Act of June 8, 1938 (52 Stat. 633), and upon approval of such project by the Public Roads Administration the Commissioners are authorized to construct such underpass and perform such necessary incidental work and pay the cost thereof from the appropriation contained in this act for Federal-aid highway projects and the District's allocation of funds by the Public Roads Administration authorized by the said Federal Aid Highway Act: *Provided further*, That the necessary transfer of jurisdiction of public land and the relocation of monuments is authorized and directed under the provisions of the Land Transfer Act of May 20, 1932 (47 Stat. 161): *And provided further*, That the Commissioners are authorized to employ necessary engineering and other professional services, by contract or otherwise, without reference to section 3709 of the Revised Statutes (41 U. S. C. 5), the Classification Act of 1923, as amended, and civil-service requirements."

Mr. OVERTON also submitted an amendment intended to be proposed by him to House bill 9109, the District of Columbia appropriation bill, 1941, which was ordered to lie on the table and to be printed. (For text of the amendment referred to see the above notice.)

REPORT ON THE EMORY AND OBED RIVERS, TENN.

Mr. McKELLAR. A few days ago I asked the Secretary of War to furnish to the Senate a copy of a report made by one of his officers to his department. He declined to do so unless it could be kept confidential. I think Senators are entitled to the report, and I have submitted a resolution which I ask unanimous consent to have considered at this moment.

The VICE PRESIDENT. The clerk will read the resolution for the information of the Senate.

The resolution (S. Res. 261), submitted by Mr. McKELLAR on April 24, 1940, was read as follows:

Resolved, That the Secretary of War be, and he is hereby, directed to furnish the Senate a copy of the report of Maj. Bernard Smith, district engineer, Corps of Engineers, Nashville (Tenn.) district, concerning the Emory and Obed Rivers of Tennessee, which report was recently filed by Major Smith with the Chief of Engineers of the War Department.

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

There being no objection, the resolution was considered and agreed to.

REPORT ON OLD ELEMENTARY SCHOOL BUILDINGS OF THE DISTRICT OF COLUMBIA (S. DOC. NO. 196)

Mr. OVERTON. Mr. President, I also ask unanimous consent to have printed as a Senate document the report of the Committee on the Reconstruction and Consolidation of Old Elementary School Buildings of the District of Columbia, dated February 28, 1940.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ADDRESS BY SENATOR BRIDGES ON LIFE INSURANCE AND THE FEDERAL GOVERNMENT

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a radio address delivered by him on May 4, 1940, on the subject of life insurance and the Federal Government, which appears in the Appendix.]

ADDRESS BY FRANK GANNETT AT HARTFORD, CONN.

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an address delivered by Frank Gannett at Hartford, Conn., on April 30, 1940, which appears in the Appendix.]

ARTICLE BY CHARLES G. ROSS ON WALTER-LOGAN BILL

[Mr. WAGNER asked and obtained leave to have printed in the RECORD two articles in relation to the Walter-Logan bill, written by Mr. Charles G. Ross, and published in the Washington Evening Star of May 6 and May 8, 1940, respectively, which appear in the Appendix.]

AMERICAN FORUM POLL ON A BIG NAVY

[Mr. MEAD asked and obtained leave to have printed in the RECORD a statement of the poll conducted by the American Forum on the question, Shall we build a navy second to none?, which appears in the Appendix.]

THE TERRITORY SOUTH OF THE RIVER OHIO

[Mr. McKELLAR asked and obtained leave to have printed in the RECORD a proclamation by the Governor of Tennessee, an article by Robert H. White, and a statement by B. O. Duggan and Harry Lee Upperman, relative to "The Territory South of the River Ohio," which appear in the Appendix.]

REWARD OFFERED BY SAMUEL HARDING CHURCH

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Gen. Hugh S. Johnson regarding the $1,000,000 reward offered by Samuel Harding Church, which appears in the Appendix.]

PERSONAL EXPLANATION

Mr. CLARK of Missouri. Mr. President, on April 22, in the course of a colloquy between the Senator from Wyoming [Mr. SCHWARTZ] and the Senator from Colorado [Mr. JOHNSON] with regard to certain telegrams and letters which had been sent out during the course of the consideration of the reciprocal trade agreements joint resolution with a view to trying to put pressure upon the Senator from Wyoming, which telegrams or letters were alleged to have been signed with the name of the Senator from Colorado and which the Senator from Colorado denied having signed, it was suggested that the telegrams might have been sent by Mr. Mollin, of the Cattle Raisers' Association. I casually interjected the fact that Mr. Mollin had testified before the House Committee on Ways and Means that he gave his testimony immediately after a conference with Mr. Franklyn Waltman, the publicity representative of the Republican National Committee. What I had in mind was the testimony of Mr.

Mollin before the House Ways and Means Committee that shortly before his testimony before that committee Mr. Waltman had called him on the telephone. As far as I know, it is entirely as possible to have a telephonic conference as it is to have a personal conference, and that is what I had in mind. In any event, I am in receipt of a letter from Mr. Waltman—a gentleman for whom I have the greatest respect and considerable personal affection, and whom I, before his present unfortunate connection, regarded as one of the leading newspaper publicists in the United States—in which Mr. Waltman more or less takes me to task for that remark, and denies that he actually wrote the letters which were in controversy at that time, which I had suggested might be possible in view of his conference immediately preceding Mr. Mollin's testimony.

Mr. Waltman says—and I ask the Senate to indulge me while I read parts of his letter:

DEAR BENNETT: My attention has been called to page 4837 of the CONGRESSIONAL RECORD for April 22 in which you are quoted as stating that Mr. F. E. Mollin, secretary of the American National Livestock Association, "testified before the House Ways and Means Committee he had conferred with Mr. Franklyn Waltman, publicity agent for the Republican National Committee, shortly before his testimony." This is followed by the suggestion that a letter expressing some of Mr. Mollin's views on reciprocal-trade agreements might have originated with me.

I greatly appreciate the fact that I seem to be in your thoughts, and I am also grateful for the publicity which always attaches to the mention of any citizen's name in the CONGRESSIONAL RECORD, but I am afraid that you have done Mr. Mollin somewhat of an injustice, and my purpose in writing is to set you straight.

Of course, Mr. Mollin did not testify before the House Ways and Means Committee that he had conferred with me before he appeared before that committee to testify. May I direct your attention to Mr. Mollin's testimony on page 1065 of the hearings of the House Ways and Means Committee on reciprocal-trade agreements, which reads as follows:

"Mr. COOPER. What is your party affiliation?

"Mr. MOLLIN. I am a Republican."

I may say that in the whole course of his appearances before the House Ways and Means Committee and the Senate Finance Committee, and in all of his activities in connection with the reciprocal programs, Mr. Mollin has very conclusively proved that he is not only a Republican but an extremely partisan and biased Republican.

"Mr. COOPER. A Republican?

"Mr. MOLLIN. Yes, sir.

"Mr. COOPER. Have you had any conferences with Mr. Waltman, the publicity director of the Republican National Committee?

"Mr. MOLLIN. No, sir.

"Mr. COOPER. You have not even talked with him?

"Mr. MOLLIN. I have not had any conferences with him.

"Mr. COOPER. Have you talked with him?

"Mr. MOLLIN. He called me on the phone; yes, sir.

"Mr. COOPER. Have you talked with the analyst of the Republican National Committee?

"Mr. MOLLIN. I do not know who the analyst is of the Republican National Committee."

Mr. President, of course, the testimony set out in Mr. Waltman's letter is precisely the testimony to which I referred in my remarks in the Senate and which I had in mind when Mr. Mollin appeared before the Senate Finance Committee. It is the testimony to which I was referring in my interjection into the colloquy between the Senator from Wyoming [Mr. SCHWARTZ] and the Senator from Colorado [Mr. JOHNSON].

Then Mr. Waltman goes on with certain other testimony which will be included in the letter, which I shall ask to have inserted in full at the end of my remarks.

Mr. Waltman goes on—and here is the milk in the coconut:

As a matter of fact, I have never seen Mr. Mollin and the only conversation I ever had with him was one of a brief 2 or 3 minutes on the telephone when he was in Washington. Representative FRANK HORTON, of Wyoming, asked me if I would get in touch with Mr. Mollin and suggest to him that he take adequate steps to have the statement he had prepared for reading before the Ways and Means Committee in suitable shape for distribution to the Washington newspapermen. I called Mr. Mollin suggesting that his statement should be mimeographed and that he have copies with him when he appeared before the committee. I made no suggestions whatever to Mr. Mollin about anything in his statement; nor did I ever see his statement until it was in its final form, as it was read by him to the Ways and Means Committee.

Mr. President, it is apparent that I have done Mr. Waltman an injustice, which I readily acknowledge, because I am certain that if Mr. Waltman had written the statement it could not have been any more partisan, but would have been more happily phrased and couched in better language. So, instead of Mr. Waltman writing the statement, which I had inferred might be possible from Mr. Mollin's testimony, it appears that Mr. Waltman had been officially advised by Representative HORTON, who had seen the statement, that the statement was already sufficiently partisan, and that all he needed to do in his capacity as publicity representative for the Republican National Committee was to see that it got adequate distribution. The only thing that Mr. Waltman, in his official capacity for the Republican National Committee, was called upon to do was to advise Mr. Mollin as to getting the fullest distribution of a partisan statement which he had been informed by Representative HORTON, Mr. Mollin intended to make.

I ask unanimous consent to have Mr. Waltman's letter printed in full in the RECORD at the conclusion of my remarks.

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

The letter is as follows:

REPUBLICAN NATIONAL COMMITTEE,
Washington, D. C., April 23, 1940.

Hon. BENNETT C. CLARK,
United States Senate, Washington, D. C.

DEAR BENNETT: My attention has been called to page 4837 of the CONGRESSIONAL RECORD for April 22 in which you are quoted as stating that Mr. F. E. Mollin, secretary of the American National Livestock Association "testified before the House Ways and Means Committee, he had conferred with Mr. Franklyn Waltman, publicity agent for the Republican National Committee, shortly before his testimony." This is followed by the suggestion that a letter expressing some of Mr. Mollin's views on reciprocal-trade agreements might have originated with me.

I greatly appreciate the fact that I seem to be in your thoughts and I am also grateful for the publicity which always attaches to the mention of any citizen's name in the CONGRESSIONAL RECORD, but I am afraid that you have done Mr. Mollin somewhat of an injustice and my purpose in writing is to set you straight.

Of course, Mr. Mollin did not testify before the House Ways and Means Committee that he had conferred with me before he appeared before that committee to testify. May I direct your attention to Mr. Mollin's testimony on page 1065 of the hearings of the House Ways and Means Committee on reciprocal-trade agreements, which reads as follows:

"Mr. COOPER. What is your party affiliation?

"Mr. MOLLIN. I am a Republican.

"Mr. COOPER. A Republican?

"Mr. MOLLIN. Yes, sir.

"Mr. COOPER. Have you had any conferences with Mr. Waltman, the publicity director of the Republican National Committee?

"Mr. MOLLIN. No, sir.

"Mr. COOPER. You have not even talked with him?

"Mr. MOLLIN. I have not had any conferences with him.

"Mr. COOPER. Have you talked with him?

"Mr. MOLLIN. He called me on the phone; yes, sir.

"Mr. COOPER. Have you talked with the analyst of the Republican National Committee?

"Mr. MOLLIN. I do not know who the analyst is of the Republican National Committee."

Representative ROBERTSON, on page 1096 of these hearings, further pursued the subject as follows:

"Mr. ROBERTSON. And have you not interviewed the director of publicity for the Republican National Committee, telling him why you did not like the program, and based it upon the fact that the farmers of this country, under this program, have been hurt, and you have played up this psychological effect of the conditions which existed a day or two at St. Paul or Buffalo?

"Mr. MOLLIN. I have testified that I did not even know who the man is to whom you refer. Unless you identify him I will say to you that I do not know. But I have never made his acquaintance.

"Mr. ROBERTSON. Mr. Frank Walton (sic)?

"Mr. MOLLIN. As a matter of fact, I do not know who the gentleman is. I never saw him, nor have I been introduced to him.

"Mr. ROBERTSON. That is all."

As a matter of fact, I have never seen Mr. Mollin, and the only conversation I ever had with him was one of a brief 2 or 3 minutes on the telephone when he was in Washington. Representative FRANK HORTON, of Wyoming, asked me if I would get in touch with Mr. Mollin and suggest to him that he take adequate steps to have the statement he had prepared for reading before the Ways and Means Committee in suitable shape for distribution to the Washington newspapermen. I called Mr. Mollin suggesting that his statement should be mimeographed and that he have copies with him when he appeared before the committee. I made no suggestions whatever to

Mr. Mollin about anything in his statement, nor did I ever see his statement until it was in its final form, as it was read by him to the Ways and Means Committee.

In all fairness to Mr. Mollin, I do think you should correct the record.

With very best wishes, I am

Sincerely yours,

FRANKLYN WALTMAN.

PROHIBITION OF FOREIGN-SILVER PURCHASES

The Senate resumed the consideration of the bill (S. 785) to repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to what is known as the Pittman amendment.

Mr. KING. Mr. President, after many digressions the Senate has returned to the consideration of the so-called Townsend silver bill. I should, however, modify that statement. It is the Townsend antisilver bill. It is a measure to further undermine and destroy silver for monetary purposes and to strengthen the policy of gold monometallism. Certainly it is an attack upon silver, not only in the United States, but an attempt to discredit it for monetary purposes in other lands.

Mr. TOWNSEND. Will the Senator yield?

Mr. KING. I yield.

Mr. TOWNSEND. I certainly take issue with the Senator on that statement. I shall be obliged if he will explain how I am trying to destroy silver by S. 785,

Mr. KING. The Senator from Delaware is a man of ability and of patriotic intentions and I know that he would not willingly undertake any plan that he believed to be injurious to our country. However, many tragic mistakes have been made by persons of the highest probity and the noblest intentions. The same thing may be said of communities and governments; intending to do good, harm has resulted. It is quite likely that some of those who were responsible for the demonetization of silver were sincere and believed that it would prove advantageous to the United States as well as to the world. Undoubtedly the Senator does not believe that the bill which he introduced and which, in a greatly modified form, is now before us, was an attack upon silver or our financial system, but I respectfully submit that it is both, upon the view that silver is or should be a part of our monetary system, and should, with gold, be the base or foundation of the monetary systems of the world. The Senator, like many other persons, perhaps, believes that silver is a mere commodity; not primary money; that gold is the sole standard or measure of value, and that no longer should silver be regarded as essential or even important in our commercial and monetary transactions.

Mr. TOWNSEND. Will the Senator yield once more?

Mr. KING. I yield again.

Mr. TOWNSEND. Let me say that so far as I have been able to learn (and I certainly think it is correct) this bill does nothing more than stop the flow of foreign silver which we certainly do not need.

Mr. KING. Mr. President, I accept the statement of the Senator that he interprets the measure as merely restricting the purchase of foreign silver by the United States. The Senator is a man of broad experience; he can draw deductions from certain premises; he has many of the qualities of the logician—whether of the classical school or the more practical school of our modern business life. He must perceive that if this great Nation declares that it will not acquire or utilize foreign silver for monetary or other purposes, the logical and, indeed, inevitable conclusion will be drawn by the people of the world, that the United States is taking one of the last (if not the last) steps to devitalize silver—to reduce it to a mere commodity; to topple it from whatever eminence in the monetary world it may have enjoyed in the past and to degrade it to the position of a mere industrial commodity. The Senator knows that for centuries gold and silver were the base of the financial and monetary systems of the world; that for centuries bimetallism was recognized by civilized nations and that in 1916 Great Britain unwisely and unjustly sought to deprive silver of its high and honorable station in the monetary systems of the world. This Republic, taking cognizance of the imperative necessity of a metallic base for its monetary system, and recognizing that gold and silver constituted that base, deliberately adopted bimetallism.

It is true that in 1873, through methods not at all worthy, but, indeed, entirely unworthy, Congress passed an act for the demonetization of silver. If time permits, I may discuss that sordid and, as some believe, criminal transaction. However, silver has continued to be used in many countries for monetary purposes; but I am compelled to confess that with the assaults which were made upon it, it has been deprived of much of the honor, influence, and, shall I say, power, which for centuries it had enjoyed. From time to time efforts were made by the people, and by those who suffered from attempts to discredit and to destroy silver for monetary purposes, to secure legislation that would restore it to its once honored station.

Certainly the Senator must be aware of the fact that if this bill becomes law it will be believed by many persons that this great Republic, whose founders wrote into their Constitution a declaration in favor of gold and silver as the money of the people, has made a final attack upon the use of silver for monetary purposes and upon any movement which seeks to restore bimetallism.

It is a declaration that the United States regards silver as a mere commodity and will not, alone or in concert with other nations, attempt to restore it to its former station as primary money and to associate it with gold in serving governments and individuals for monetary purposes.

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

Mr. KING. I yield.

Mr. VANDENBERG. If this is not a private fight, I would like to ask the Senator a question. [Laughter.]

Mr. KING. After I finish my remarks I shall be glad to yield to the Senator, but——

Mr. VANDENBERG. I simply wanted to ask the Senator if he disagrees with the statement made by the able Senator from Nevada [Mr. PITTMAN] that the passage of the Townsend bill would result in no disadvantage whatever to domestic silver production or domestic silver.

Mr. KING. Mr. President, I am glad to associate myself with the distinguished senior Senator from Nevada, and also with the distinguished junior Senator from Nevada. There is usually agreement among us concerning the so-called silver question. However, my high regard for each of them does not require me to assent to all views which either may express. If the senior Senator from Nevada made the statement attributed to him by the Senator from Michigan, I would submit a number of qualifications. I am sure that the Senator did not mean that the enactment of the Townsend bill would not injuriously affect the cause of bimetallism or that it would not be regarded as a backward step by this Republic—a step towards the abandonment of silver as primary money and as an associate of gold in the monetary systems of the world. Of course, he recognizes, as we all do, that the passage of the pending bill would not, at least for the time being, prevent the purchase of domestic silver under the terms of the act passed at the last session of Congress. But it seems obvious that if the Townsend bill were enacted into law it would be regarded by many as an abandonment by the United States of silver for monetary uses, and a campaign would soon be launched against the purchase of domestic silver by the United States. The world price of silver would sink far below the low level which it has now reached, and that fact would be seized upon as an argument, indeed, a demand, that the United States should repeal the act of 1939 under which the Government now acquires domestic silver, paying therefor 71 cents per ounce. In my opinion, many of the supporters of the Townsend bill regard its passage as the death knell of the present silver purchasing act, and a death blow to all efforts to restore silver to the position

which under the Constitution it is entitled to occupy. Indeed, the bill, when introduced by the Senator, called for the repeal of the Silver Purchase Act.

The Senator from Nevada for many years has been one of the ablest defenders of bimetallism; and I am confident that he would take no position that would, in his opinion, be an obstacle to the ultimate triumph of bimetallism. I have been associated with him for years in the consideration of matters affecting not only the West, but our country. He has valiantly fought for the rehabilitation of silver, and has opposed measures which sought to debase it or to rob it of its authority and primacy in the monetary system of our country and the world.

I can understand that some persons who earnestly believe in bimetallism and its ultimate triumph may not perceive, in a measure which restricts the importation of foreign silver into the United States, a menace to the use of silver for monetary purposes or as an obstacle to its return to its time-honored position. However, as I have indicated, I do not accept that view. I fear the effect in this and in other countries; it is quite likely that some people will regard the passage of this bill as an indication that our Government, once and for all, has abandoned silver for monetary purposes and will not make efforts to retrieve mistakes which have been made by this and other countries and bring silver back to its place, side by side with gold. I fear that some sincere bimetallists who have sought to reform our monetary system by restoring silver to its time-honored position, will have their faith shaken in the future of our monetary base and be inclined to the view that our Government has forsaken them.

Mr. VANDENBERG. As I distill out of the ultimate essence of the Senator's answers to my question, I conclude that he not only does not agree with the Senator from Nevada, but he does not agree with him at all.

Mr. KING. Mr. President, I am glad that my answers distill something of the ultimate; I hope the essence indicate truth and validity—not dregs. If the Senator interprets my statement as meaning that I am in disagreement with the Senator from Nevada upon the vital and major question involved, he is in error. The Senator from Nevada for many years has been one of the most forceful and sincere advocates of a sound monetary policy resting upon gold and silver—of a currency convertible into gold or silver—of a currency that would meet the demands of trade and commerce, not only of the United States but throughout the world. He has demonstrated the inadequacy of gold to meet the monetary demands of the world, and the valid claims of silver to be recognized as a partner of gold, in providing for the monetary uses of the people. I know that when the Senator and I were engaged in drafting the important provisions of the Silver Purchase Act, he believed as I believed, that it would increase the stability of the monetary system, not only of the United States, but of the world; that it would result in higher prices for commodities; that it would tend to prevent a downward spiral trend which was working such disastrous results, not only in our own country, but in other lands.

I believed, and I feel sure that the able Senator from Nevada believed, that the best interests of the world demanded that the United States should take the lead in strengthening its metallic base by bringing gold and silver into closer relationship. I feel sure that he has not abandoned the faith which he has held for so many years, but looks forward to the time when there will be adopted a sound and satisfactory monetary system, and when gold and silver will stand side by side to aid in meeting the monetary demands of all peoples.

It may be that the amended Townsend Act, which restricts the acquisition of silver by the Government to that domestically mined, would not have an immediate effect upon the production of domestic silver, and, of course, it would not repeal the provisions of the act of July 6, 1939, under which the price of silver was fixed at 71 cents per ounce.

Domestic producers of silver realize that, for the moment, the price of domestic silver is fixed by the act referred to. The so-called Townsend bill would not per se affect the price of the domestically mined silver, and there may be some basis for the suggestion that the passage of this measure, which seeks to prohibit the purchase by our Government of foreign-mined silver, will not immediately affect the price of future domestic silver. But it will lead to future demand for the repeal of the act of July 6, 1939. When the world price of silver falls to very low levels, such demand will be pressed with increasing and relentless vigor.

But, as I have indicated, any opposition to the measure rests upon what I conceive to be other and broader grounds. I contended for the passage of the Silver Purchase Act of 1934, believing that it was a forward-looking measure and would confirm the view prevalent in many parts of the world that silver was not a base metal, fit only for industrial uses, but should be primary money, and with gold meet our monetary needs.

Some persons—advocates of a managed currency, of inflationary monetary policies, or of gold monometallism—look with more or less contempt upon silver and treat as fantastic the suggestion that sooner or later there will be a sound, safe, and sane monetary system, the foundation of which will be gold and silver.

The Senator from Delaware has expounded with earnestness his views upon the bill, which, as introduced, would have prevented the acquisition of domestic silver, and he tenaciously clings to the amended bill now under consideration, which prohibits the United States acquiring foreign silver.

Mr. President, after these digressions, may I now proceed to a discussion of the pending bill? It is a bill entitled "To repeal the Silver Purchase Act of 1934, to provide for the sale of silver, and for other purposes."

The bill was introduced by the Senator from Delaware [Mr. TOWNSEND] on the 17th of January, 1939, and was referred to the Committee on Banking and Currency. That committee reported it back to the Senate on the 20th of March of this year. The bill provided for the repeal of the Silver Purchase Act, but it did not deal with or in any manner modify the Gold Act of January 30, 1934. In other words, it aimed at the destruction of the use of silver for monetary purposes.

I think that view was clearly expressed by the able junior Senator from California [Mr. DOWNEY], as well as the distinguished Senator who now presides over the deliberations of the Senate, the senior Senator from Nevada [Mr. PITTMAN]. The bill sought to deliver a death blow to silver, and to crown gold as the sole metal for monetary purposes.

The hearings before the committee were not extensive, and without being critical, if I may be permitted to so state, they were not very satisfactory. In my opinion they do not present facts or submit reasons justifying the purpose of the bill. With due regard to the views of others, I respectfully submit that no conditions justify the measure or warrant the passage of the bill as it has been amended. There was so much opposition to the measure that later it was amended, and, as reported, in effect it limits the authority of the President and the Secretary of the Treasury under the Silver Purchase Act of 1934 to the acquisition of domestically mined silver.

In other words, the bill as introduced would have repealed the Silver Purchase Act of 1934, which authorized the purchase by the United States of silver until one-fourth of our monetary stocks consisted of silver. As indicated, the bill encountered so much opposition that many of those who supported it felt constrained to modify it and to restrict its provisions so that only domestically produced silver might be acquired by the Department of the Treasury.

Mr. President, the serious economic situation not only in the United States but in many parts of the world during and following 1929 challenged the attention of the representatives of governments, industry, and the people to the monetary situation, and the conclusion was reached that the gold standard was insufficient to meet the requirements of nations and peoples. Millions of persons found themselves without employment; the prices of commodities shrank almost to the vanishing point, and there was widespread distress throughout

our country. The American people determined to change the leadership of the Republic and elected Franklin D. Roosevelt to the Presidency. I mention these matters not in a partisan spirit but only for the purpose of emphasizing the fact that many citizens, as well as many people in many other parts of the world, were awakened to the fact that there was some weakness or defect in the monetary systems; they found that gold was wholly inadequate to meet the demands of the people and the requirements of trade, commerce, and industry. The great decline in prices, with the destruction of values and the closing of banks, with its tragic conditions throughout the country, called for the adoption of new policies, a campaign that would relieve the situation and arrest the devastating forces which were sweeping over the land. Many persons in public life believed that the situation was so alarming, and, indeed, so dangerous—financially and otherwise—that measures should be enacted and policies adopted that would ameliorate conditions, and, as I have indicated, arrest the destructive forces sweeping over the country. While there were many causes contributing to this most deplorable situation, I believe the failure of our country, as well as other countries, to recognize the vital importance of silver for monetary uses was a contributing factor to the situation. It was apparent that the supply of primary money and credit was wholly inadequate, and there would not and could not be a revival in the economic and industrial life of the people until our financial system was rehabilitated and a broader base created upon which to rest the currencies and business and financial transactions of the people.

Senators will recall that during the early days of the depression, to which I have referred, there were conferences in many countries for the consideration of financial measures and for the purpose of discussing economic and other problems, including, of course, a study of the money question. Chambers of Commerce, not only in the United States and European countries but in Latin America and in Asia, devoted attention to the matters referred to, and sought to devise some plan that would tend to relieve the financial and economic tension, promote increased production, and create broader fields for trade and commerce. They met in Washington in the International Chamber of Commerce. From practically all countries, except Latin America, there convened leading businessmen, financiers, monetary scientists, and representatives of business and of political organizations, and for several days they devoted themselves to a serious discussion of the economic, financial, and industrial problems by which their respective countries were beset. I should add that there were a number of representatives from China and Japan, who submitted their views concerning the matters under discussion. I had the privilege of meeting with many of the delegates and representatives to this great gathering and to consider with them the possibility, and, indeed, the necessity, of lifting silver to its traditional position in the world's monetary systems. A resolution, which I aided in drafting, but which did not go as far as I desired, in effect challenged attention to the question of silver, and called upon the delegates to the International Chamber of Commerce to bring to the attention of their respective governments the wisdom or propriety of adding silver to the monetary base of the world.

Several weeks later there assembled in Washington representatives of the chambers of commerce of the Latin American Republics, among them were able representatives of the business and industrial interests of their respective countries. There were bankers, industrialists, businessmen, agriculturists, representatives of political parties, and of various fields of economic and business endeavor. They addressed themselves with earnestness to the consideration of economic questions. The monetary situation engaged their attention and there was considerable discussion among the groups concerning gold and silver and their relation to each other and the part which they played and were to play in their respective countries. I had the privilege of meeting with many of the delegates and aided in securing the adoption of a resolution similiar to that which had been approved at a meeting of the International Chamber of Commerce a few weeks prior thereto. Senators will recall that for a number of years, and prior to the election of Mr. Roosevelt, many groups and organizations of businessmen, and representatives of governments, had discussed the silver question, so-called. In Great Britain the question of silver and the position which it should occupy for monetary purposes was very acute, and received considerable attention in important business, financial, industrial, and political circles. In our own country many Senators were deeply interested in the question and held frequent conferences with the view of inaugurating a movement having for its object the restoration of silver to its proper monetary position. I visited Canada and there conferred with representatives of the Government. One of the leading bankers of Great Britain, who had formerly been connected with one of the important banks in India, came, upon several occasions, to Washington to confer with Senators Pittman, Borah, Walsh, and myself. Two of the leading citizens of China, one of them a banker and the other high in governmental circles, likewise came to the United States to confer with persons interested in monetary problems. I had the privilege of conferring with them as to the future of silver and the steps necessary to be taken to bring back to the world the use of silver in its monetary systems. I should add that during the period to which I have referred a representative of M. Caillaux, a distinguished French statesman, who was interested in bimetalism, came to the United States and conferred with the Senators above named. It was my privilege also to confer with a number of representatives of Mexico and Central and South America and to canvass with them the future of silver for monetary purposes.

I am well within the limits of truth when I say that there was a genuine interest in the adoption of a policy which would have for its object the restoration of a bimetallic system. Suggestions were made by various representatives in other countries, as well as by those who attended the international conferences to which I have referred, that if the United States would take the lead in a movement for silver's rehabilitation, their respective countries would not only cooperate but collaborate in such movement. It was suggested by some that if the United States would declare for a policy which called for augmenting its metallic monetary stocks they believed their governments would pursue a like course.

In view of the many manifestations of a revival of interest in silver and of a desire to see it restored to its proper monetary position, more than 25 Senators conferred upon various occasions and urged that some practical and concrete steps be taken that would result in affirmative action by the Government of the United States looking to the restoration of silver to its former place in our monetary system.

When President Roosevelt was elected our country was, as I have indicated, in a most serious depression, and it was recognized that policies must be adopted and legislation enacted to relieve the situation. One of the measures considered in the early days of the administration of President Roosevelt was the so-called Gold Act, and this was followed by what is commonly called the Silver Purchase Act. The so-called Gold Act contained no admonition or indication that the President was committed to the theory of gold monometallism; indeed, as I interpret the message and the attitude of the administration at that time, there was a desire in a wise and effective way to give to silver a higher monetary value. In his message to Congress on May 22, 1934, in dealing with the gold situation, the President stated that the policy there recommended was only a step in improving the financial and monetary system of our country. He further stated that its enactment laid a foundation on which to organize—and I emphasize the word "organize"—a currency system which would be both sound and adequate—not inflationary, but a sound and adequate monetary system—and that as a part of the larger objective other things were necessary, one of which was that our country should move forward as rapidly as conditions permitted in broadening—and I commend this statement to my friend the Senator from Delaware—the metallic base of our monetary system and in stabilizing the purchasing and debt-paying power of our money on a more equitable level.

Mr. TOWNSEND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Delaware?

Mr. KING. I yield.

Mr. TOWNSEND. I ask the Senator from Utah to explain how Senate bill 785 in any way affects the broadening of the monetary base? All it does is to stop the purchase of foreign silver.

Mr. KING. I fear the Senator did not give sufficient attention to the views which I have heretofore expressed. I stated that the original bill of the Senator calling for the repeal of the Silver Purchase Act would be regarded by the world as a declaration by the United States that it had abandoned silver for monetary purposes and regarded it as a mere commodity; that it announced its devotion to the gold standard as the sole metallic base upon which to rest currencies and credits. I indicated that psychologically and realistically the effect would be as I have indicated; that it would be regarded as a repudiation of the provisions of the Silver Purchase Act, which authorized and directed the Secretary of the Treasury to purchase or acquire silver until one-fourth of our monetary stocks consisted of silver. When the Silver Purchase Act was enacted there was a belief that silver was again to come into its own and to be regarded as a part of the monetary base of the nations of the world. It gave encouragement to those who believed in bimetalism, that improved monetary and economic conditions would prevail when silver was accorded its proper use and place in the monetary systems of the world. The Senator's bill narrowed the base which had been broadened by the Silver Purchase Act and in effect stated to the world that the United States would no longer accord to silver its proper recognition for monetary purposes.

As I have heretofore indicated—and I am repeating—it is obvious that if the United States, with its financial strength and power and its persuasive influence in the world, declared that it would seek the rehabilitation of silver, other nations would be profoundly impressed and would shape their policies with reference to the policy adopted by the United States. If, and when, the United States declared that it contemplated the repeal of the Silver Purchase Act, the effect of such declaration would be felt in every part of the world, all hopes of bimetallism would be dissipated, and the price of silver would fall to almost commodity levels. To pass the Senator's bill obviously would narrow the monetary base; it would in effect say to the world, the United States does not regard silver as fit for money; it bows at the throne of gold.

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

Mr. KING. I yield.

Mr. TOWNSEND. The able Senator from Utah does not agree with the Chairman of the Federal Reserve Board, and the Federal Advisory Council of the Federal Reserve Board?

Mr. KING. I am not called upon to agree with any official or group. I have great respect for them and for their views but I do not always agree with them or follow them.

Mr. TOWNSEND. And he does not agree with practically every newspaper in the United States?

Mr. KING. Of course the views of the press are entitled to great consideration. Many of our editorial writers possess great ability and their views upon economic, political, and industrial questions deserve most serious consideration. However, they are not infallible, and upon economic and financial questions they have not infrequently gone astray. Great writers upon finance and gold and silver and upon fiscal legislation have often made mistakes. I appreciate the fact that there are wide differences of opinion among writers—among those who discuss economic and monetary matters. Some of the soundest and ablest statesmen of Great Britain and France have been, and still are, dissatisfied with the gold standard, believing it to be inadequate to meet the monetary needs of governments and of the people. There are many able men in the ranks of the bimetallists whose voice still is heard in advocacy of the remonetization of silver and the strengthening of our monetary metallic base. I attempt—if I may be bold enough to say so—to follow my own views and my own conscience though I may come into conflict with able and distinguished persons..

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

Mr. KING. I yield.

Mr. WILEY. I admit my ignorance of the monetary question.

Mr. KING. Oh, the Senator is never ignorant. See his achievements in his great State of Wisconsin.

Mr. WILEY. I thank the Senator. I simply wish to say that it seems to me that before the recent law was passed, which authorized the President of the United States to buy silver——

Mr. KING. The Senator means the Silver Purchase Act of 1934?

Mr. WILEY. Yes.

Mr. KING. Which the Senator from Nevada and myself had the honor to draft in part.

Mr. WILEY. Before that law was passed—and that was relatively recently—one could not accuse this country of abandoning the theory of using silver, could one, in its monetary system?

Mr. KING. Mr. President, I cannot at this time attempt to answer the Senator properly. As I have stated, until 1873 our Government recognized gold and silver as primary money; there was not gold and silver; there was bimetallism. With the demonetization of silver by our Government it suffered a displacement and was denied the high honor which it had theretofore occupied. Efforts to restore it failed and the domestic price of silver continued to decline until in 1931, 1932, and 1933, as I recall, it had reached the low level of approximately 30 or 40 cents per ounce. As a result of the fight which was made looking to its restoration, the Silver Purchase Act was passed. That act gave hope to the bimetallists and was regarded as an indication that our Government was preparing the way for a wider use of silver for monetary purposes with the ultimate purpose of restoring it to its former partnership with gold. That measure was not an indication of the abandonment of silver—quite the reverse, as I have stated—but the bill under consideration, when introduced, demanded the absolute repeal of the Silver Purchase Act. The amendment to it, however, makes the concession that domestically mined silver may be acquired under a more recent act.

I have attempted to point out earlier in my remarks the effect of the amended Townsend Act and have argued that it would be regarded as a declaration that the United States no longer contemplates bimetallism; that it will treat silver as an unimportant metal which finally must be regarded as a base metal fit only for industrial purposes.

But, Mr. President, I must hasten on. The President stated in his message of May 22, 1934, that the view expressed was a step toward improving the financial and monetary system of our country. This statement would indicate that our monetary system would be improved by the adoption of the plan indicated by the President. He further stated that it was necessary to broaden the metallic base of our monetary system and to stabilize (I urge that we keep in mind the word "stabilize"), the purchasing and debt-paying power of our money on a more equitable level. Senators will recall the message which the President sent to Mr. Moley who was in attendance at the monetary conference in London. That message, as I interpreted it, was that no policy should be agreed to by the representatives of our Government which was not designed to provide an adequate monetary system, one capable of meeting the demands of the people, one that would result in increased prices for farm products and in improved conditions for labor.

The silver situation was under consideration at the London conference and, as I interpreted the position of some of the delegates to the conference and the message of the President, consideration must be given to the question of restoring silver to its proper monetary station and to provide a monetary base adequate to provide currencies and credits imperatively

needed to revive business and to promote the welfare of our own and other countries.

I again refer to the President's message in which he stated:

This policy was initiated by the proclamation of December 21, 1933, bringing our current domestic production of silver into the Treasury, as well as placing this Nation among the first to carry out the agreement on silver which we sought and secured at the London conference. We have since acquired other silver in the interest of stabilization of foreign exchange and the development of a broader metallic base of our currency.

A golden thread and a silver thread—if I may change the expression—runs through the message of the President—a broader metallic base, not gold monometallism, but bimetallism; silver was to constitute a part of the base, to make it larger and stronger and more stable and important.

The President further added:

We seek to remedy a maladjustment of our currency.

That there was a maladjustment of our currency must be conceded by all. There were forces in operation which tended to the concentration of gold in the hands of a limited number or group or nation. This resulted in a maladjustment which had serious repercussions upon credit and trade and indeed upon the industrial and economic life of the people. The President added:

In further aid of this policy (that is, the policy leading to bimetallism) it would be helpful to have legislation broadening the authority for the further acquisition and monetary use of silver.

Manifestly the President was looking to a proper use of silver for monetary purposes not only in our own country but, I believe, throughout the world. He is not seeking gold alone as the monetary base but in his message he frequently refers to silver and its monetary uses. He does not refer to silver as a base metal or as fit only for industrial purposes, but I respectfully insist that he indicates that the use of silver as primary money—money of ultimate redemption—money in association with gold provides a broad and stable foundation for our currencies and credits and for the monetary needs of the world. The President further added:

I therefore recommend legislation at the present session declaring it to be the policy of the United States to increase the amount of silver in our monetary stocks with the ultimate objective of having and maintaining one-fourth of their monetary value in silver and three-fourths in gold. The executive authority should be authorized and directed to make the purchases of silver necessary to attain this ultimate objective. The authority to purchase present accumulations of silver in this country should be limited to purchases at not in excess of 50 cents per ounce.

That was the initial movement which it was hoped and expected would culminate in an increase in the price of silver until it reached $1.29 per ounce.

The President further stated that:

The executive authority should be enabled, should circumstances require, to take over present surpluses of silver in this country not required for industrial uses on payment of just compensation, and to regulate imports, exports, and other dealings in monetary silver.

I beg Senators to remember that the word "silver" is emphasized over and over again by the President in that message. He indicated his confidence in silver as a part of our monetary system, and urged a monetary plan which would broaden the monetary base—not narrow it—by including in it silver as well as gold.

He further stated:

Because of the great world supply of silver and its use in varying forms by the world's population, concerted action by all nations—or at least a large group of nations—is necessary if a permanent measure of value, including both gold and silver, is eventually to be made a world standard.

Mr. President, this important message met with general approval throughout the United States. Even our gold friends paid tribute to Mr. Roosevelt for his prescience, his knowledge of financial questions, and his prophetic vision, which contemplated the restoration of silver to its proper position in the monetary systems of the world. This message was a challenge to those who were seeking to destroy silver for monetary uses, and also to chain all nations and peoples to the gold standard.

Congress promptly responded to the message of the President and passed an act authorizing and directing the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes. This act was approved June 19, 1934. Senators cannot forget that following the demonetization of silver in 1873 many political as well as economic battles were fought for the purpose of restoring silver to its time-honored place. Many measures were introduced in Congress to rectify what many of the American people believed was a great crime in the demonetization of silver. Following the destandardization of silver there was an almost unbroken volume of protests against the gold monometallists who were attempting to rivet the gold standard upon the American people. I may add that in the Congress which enacted the so-called Silver Purchase Act measures were introduced in both branches providing for the remonetization of silver at a ratio of 16 to 1. My recollection is, that in practically every session of Congress for many years preceding the enactment of the Silver Purchase Act, measures were brought to the attention of the Congress challenging attention to the unsatisfactory economic conditions and demanding that silver be restored to its rightful place in our monetary system. International conferences were held from time to time at which the need of a broader metallic base than that afforded by gold were under consideration. Indeed, throughout the world there was a feeling that our monetary base was uncertain and insecure and that it should be strengthened so as to include silver as well as gold. At the economic conference held in London in 1933 the silver question occupied an important place upon the agenda. At the International Chamber of Commerce gatherings in many countries the question of remonetization of silver received attention; and, though no agreement was reached, there was a growing feeling of dissatisfaction with the attitude of those who insisted upon adhering to the gold standard.

Without desiring to bring political parties into the discussion, I may add that the Democratic Party, at the convention which nominated Mr. Roosevelt for the Presidency, declared in effect in favor of the rehabilitation of silver. I wonder if my Democratic friends have forgotten that declaration in the Democratic platform, which was prepared largely by the able Senator from Virginia [Mr. GLASS] and one or two other persons. I happened to be a member of the committee which drafted the Democratic platform upon the occasion referred to. The platform called for a sound currency, which was to be preserved at all hazards. This was an expression of disapproval of the monetary policies of the Government, and its devotion to the gold standard. The platform further declared in favor of an international monetary convention, to be called by our Government, to consider the rehabilitation of silver, as well as related questions.

Prior to the enactment of the Silver Purchase Act the Congress had passed the act of May 12, 1933, which authorized the President by proclamation to fix the weight of the gold dollar in grains, nine-tenths fine, and also to fix the weight of the silver dollar in grains, nine-tenths fine, in ratio to the gold dollar, in such amounts as he found necessary from his investigation to stabilize domestic prices or to protect foreign commerce against the adverse effect of depreciated foreign currencies. The President was also authorized to provide for the coinage of gold and silver at the ratios so fixed.

The message of the President which led to the enactment of the Silver Purchase Act, as well as the act to which I have just referred, demonstrates that the administration which came into power in 1933 believed in silver as a part of our monetary system, and was determined to enact such legislation as would give to the American people a sound currency, a currency based upon the money of the Constitution; namely, gold and silver.

Undoubtedly there were divergent views among members of both political parties in regard to what we have been pleased to

call the monetary question. There were those who believed that with the confused and conflicting situation throughout the world, and with the fierce spirit of nationalism which prevailed in many lands, any attempt to adopt a universal currency or money would result in failure. There were others, as I have indicated, who believed in the gold standard alone. There were still others who, resting their faith upon historical facts, believed that gold and silver at a fixed ratio afforded the soundest currency and the safest monetary policy which could be devised by man.

Jefferson and Hamilton, representing two schools of political philosophy, dominated the political development of the Nation from its commencement. They submitted what might be called our monetary policy. It was a bimetallic policy and was in accord with the world's monetary history—indeed, with history almost from the beginning of civilization. They recognized that gold and silver had proved the most effective and stable instrumentalities for government financial policies and for fiscal and financial relations among the peoples of the world. History has proved the physical relationship between gold and silver. Throughout the centuries they have been found in physical relation with each other in an almost uniform ratio. Nature welded these 2 metals in a constant and practically undeviating relation of approximately 14 parts of silver to 1 part of gold.

Jefferson originally was inclined to silver as a base, because he believed it to be less liable to fluctuate than gold. However, Hamilton asserted that the use of either metal alone would abridge the quantity of circulating medium.

I commend that statement to my Republican friends who seek to restrict the circulating medium. Their great patron saint, Hamilton, insisted upon gold and silver because he believed that the use of either metal alone would abridge the quantity of money or circulating medium to which the people were entitled and, therefore, would be liable to all objections which might arise from a comparison of a full, with the evils of a scanty circulation.

Jefferson said,

> Let the standard, therefore, rest upon both metals.

So the ratio was fixed at 15½ parts of silver to 1 of gold, by weight. As we all know, the system so carefully devised and launched upon the young nation in 1792 functioned perfectly, though in 1836 the ratio was slightly altered from 15½ parts of silver to 1 of gold to 16 to 1, by the law of that year, as to silver dollars, the weight of fractional silver coins remaining as before.

I again refer to one of the statements in the President's message:

> As a part of a larger object, some things have been clear. One is that we should go forward as rapidly as conditions will permit in stabilizing the purchasing and debt-paying power on a high level.

Declines in commodity prices have wrought serious injury to the American people. The farmers do not receive adequate prices for their products; labor is not fully compensated and there is a feeling of unrest and, with some, despair because of the unsatisfactory and tragic industrial and economic conditions.

May I quote again from the President's message:

> Another is that we should not neglect the value of an increased use of silver in improving our monetary system. Since 1929 that has been obvious.

Manifestly the message of the President is a criticism of the gold-standard policy and a declaration in favor of giving to silver a more important place in our monetary system.

He further added in his message that—

> Some measures for making a greater use of silver in the public interest are appropriate for independent action by us.

It must be borne in mind that following the passage of the act of 1873, which demonetized silver, gold had been the standard, and opposition to bimetallism had found increasing support, particularly among the creditor class and large vested interests. The administration that came into power in 1933 was confronted with a tragic situation, which was brought about in part by unwise and unsound monetary policies. Perhaps I am unorthodox, but I believe that I am orthodox in that I believe in the money of the Constitution, and in the bimetallic policy which the founders of the Republic gave to the American people. I think that there was a departure from sound and safe policies when silver was demonetized and when gold was made regnant and all powerful.

The Silver Purchase Act was an attempt to break the chains of gold, or, at any rate, to aid in giving to silver its appropriate place alongside of gold in order that both metals might meet the demands of trade and commerce, and afford the American people increased purchasing power for their commodities. I recall that great leaders in both the Republican and Democratic Parties avowed their faith in bimetallism. I recall that by the act of March 1, 1893, Congress declared:

> It to be the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchange value, such equality to be secured by international agreement or by such safeguards of legislation as will insure the maintenance of the parity of gold and of the coins of the two metals and the equal power of the dollar at all times in the markets and in the payment of debts. And it is hereby declared that the efforts of the Government should be steadily directed to the establishment of such a safe system of bimetallism as will maintain at all times the equal value of every dollar coined or issued by the United States in the markets and in the payment of debts.

That is the law today.

Mr. President, this declaration of policy was reaffirmed by the unrepealed act of Congress of March 1, 1897, and again by an act of Congress, still on the statute books, of March 14, 1900. I invite attention to section 3 of the Silver Purchase Act, which, in effect, is an affirmation of the views of Congress that gold and silver are, and shall be, the legal currency of our country. Senators will recall that the Secretary of the Treasury is not only authorized but directed—and I emphasize the word directed—to purchase both gold and silver at home or abroad, not to be impounded and sterilized, but to serve the monetary needs of the people. It is to the credit of President Roosevelt that he sought to restore silver to its high station and to give to the American people a sound and stable currency, resting upon gold and silver, which, as I have indicated, are provided in the Constitution as the money for this Republic.

But there are those among us who demand the repeal of the Silver Purchase Act. There has been a widespread propaganda in favor of destroying silver, and this demand culminated in the bill now before us. However, the measure was so extreme that it has been amended, and, as I have before stated, its provisions are now limited to the repeal of the provisions of the Silver Purchase Act which authorize the acquisition of foreign-mined silver. The measure, however, in my opinion, is a repudiation of the policy of the administration as announced in the Silver Purchase Act. Its purpose is ultimately to destroy silver for monetary uses, not only foreign silver, but silver mined in the United States. It seeks to destroy silver for monetary uses. It seeks to relegate it to the position of a mere commodity. It seeks to limit the money of ultimate redemption. It seeks to make money scarce and, therefore, dear. It is an involuntary confession that there is virtue in the quantitative theory of money. Shylocks and selfish creditors reap larger benefits with a limited quantity of money, with the gold standard rather than under the bimetallic system.

Mr. President, I cannot refrain from quoting Mr. Keynes, who, a few years ago, was an ardent advocate of the gold-standard fallacy. He has recently stated that—

> The periods when the supply of gold was such as to make it competent of serving the needs of the world's principal medium of currency have been rare and intermittent. If any metal is to make this claim on the basis of long historical experience, it must be silver, not gold.

We are repudiating Mr. Keynes, repudiating the history of the past, and we want to make gold the basis of our monetary system.

I am repeating when I challenge attention to the failure of gold to meet the demands of the world and to my insistence upon a policy which contemplates the restoration of silver to its proper monetary station. As we know, until 1816 gold

and silver were recognized as primary moneys in all countries of the world. Among primitive people barter prevailed, but as civilization developed and international relations became more intimate it was found imperative that there should be a medium of exchange—a measuring rod, so to speak—a plan under which transactions among nations and individuals might be facilitated and balances of trade settled. Because of the inherent qualities of gold and silver, they automatically became, among civilized peoples, the standard or base of their monetary systems. As I have indicated, explorations in the earth revealed the physical relationship between the two metals. So, by custom and regulation, gold and silver became the moneys of most countries. We know that in Napoleon's day gold and silver were universally recognized as the moneys of civilized nations. Gold and silver were coined at the ratio of 15 or 15½ to 1, and transactions, including securities issued, were based upon and governed by the existing relationship between gold and silver. It was discovered that with an abundance of gold and silver, prices advanced, wages were higher, and a corresponding development occurred in all departments of human endeavor. It was discovered that when obligations of governments and the people were payable in gold, rather than in gold or silver, the economic and industrial life of the people were brought under a cloud.

And so, through the experiences of the people, they demanded the monetization of both gold and silver. Our Government accepted the bimetallic theory, and the first important legislation placed gold and silver side by side as the base and foundation of our monetary system. The world has discovered the inadequacy of gold to meet the needs of the people, and the demonetization of silver has been followed in many countries by the abandonment of the gold standard. Throughout the world people are inquiring why silver was robbed of its monetary status and attempts are being made to enthrone gold as the supreme monetary power.

Professor Cassel, who was an outstanding political economist, declared that "the relentless struggle for gold has brought a fall in prices which has resulted in a crisis, producing a general depression, heavy losses, economic difficulties, and industrial unemployment."

That prophesy, Mr. President, has been verified. In the United States and throughout the world the heavy burdens of debt have been placed upon individuals as well as upon communities and governments. These obligations are so huge as to reach astronomical figures. Certainly there must be alleviation of this most oppressive condition, and there would be if silver were remonetized and placed alongside gold to meet the needs of the world.

Sir Henry Strakosch, a very eminent writer upon finance, gold and silver, and the monetary policies of the world, has declared that the "deficiencies of monetary gold are well over 100 percent, which has resulted in a sharp fall in commodity prices."

The gold supply of the world is approximately $25,000,000,000—a small sum measured by the world's obligations—but, as I have indicated, if silver were restored to its proper monetary station, the pressure of creditors would be diminished, the burdens of the people would be lightened. I know that appeals for a broader monetary base as requested by the President may be disregarded but it seems to me that the time is at hand when there should be a militant campaign for reforms in our monetary system and for the recognition of silver as an indispensable part of our monetary system.

May I call attention to the words of Sir George Paish, who visited the United States but a few years ago, when a number of Senators, including the senior Senator from Nevada, were attempting to effect reforms in our monetary system. I might add that this distinguished Britisher is an authority upon finance and monetary questions. He indicated the importance of a restoration of silver, and in one of his statements which received wide circulation, declared "that the financial situation is one of unprecedented difficulty, and that the world, particularly since 1914, has lived upon credit, and is indebted, both nationally and internationally, for fabulous sums of money."

There are some who insist that gold is a stable money—indeed, the only stable money—but the fact is, that measured by commodities, by human labor, for the things which gold purchases, its variations and, indeed, its gyrations, demonstrate that it is a most unstable commodity and not a satisfactory measure of value. It fluctuates when measured by labor and commodities and by the ordinary standards of value. There are many who believe that it possesses less merit, so far as stability is concerned, than silver would have possessed had it not been demonetized.

After all, value simply means value in exchange, and it arises out of the relations which exist between things. Intrinsically, it is said money has no value. Purchasing power is a value in economics. The level of prices of commodities is determined by the number of units of purchasing power. If the number of units is reduced, each remaining unit possesses greater value, expressed in commodity prices; and the prices of commodities, measured by the monetary unit, fall. Value, like utility, it has been said, possesses no intrinsic value, but expresses in exchange nothing but ratio. To speak of the value of an ounce of gold is meaningless, as it is to speak of the ratio of a given number. There must be another number in order to make a ratio. Therefore value simply means value in exchange. Human estimation placed on desirable objects whose quantity is limited determines value.

We all recall the statement of the historian, Sir Archibald Alison, who refers to the tragic condition of Great Britain following the demonetization of silver by Great Britain. He states that small land proprietors were ruined and distress was universal. My recollection is that he stated that within a period of 7 years the number of landowners was reduced from more than 100,000 individuals to less than 30,000, and that a large population became the objects of support by organized charity.

Mr. President, we are familiar with the important place which Sir Henry Deterding occupies in the financial world and in trade and commerce. He has declared that the destruction of silver values will defeat trade revival, and that so long as gold and silver were in cooperation, things went well, but that governments governed by theorists, and sheltering themselves behind so-called money experts, adopted gold as their sole standard of value and ousted silver by paper. Whether paper is represented by bankers' bills or by bank notes, the only reason for its value is credit; and credit is the same as every other commodity or faculty, in that the more there is of it the less valuable it becomes.

A few years ago, as Senators will recall, the League of Nations and the McMillan committee of Great Britain, in their studies of world conditions and the monetary situation, declared, in substance, that if the world was to be rescued from bankruptcy, there must be a material increase of prices, particularly in the field of agriculture and labor.

Efforts to establish gold as the sole and universal standard of value have constantly and uniformly failed. It is against the inexorable logic of nature and experience. As early as 1871 Ernest Seyd, a great economist, said:

> It is a great mistake to suppose that the deflation of the gold values, besides England, will be beneficial. It would only lead to the destruction of the monetary equilibrium hitherto existing and a decline in prosperity all over the world.

Mr. President, this was a prophecy of great significance. The fiscal history of India during the past 40 or 50 years is sufficient to demonstrate that fact. A great country, but subject to foreign domination, in the main has proved immune to laws designed to transform its monetary system by the mandate of Great Britain. As Senators know, in 1897 the Indian mints were closed overnight to the further coinage of silver, and the market value of bullion within a few hours shrunk one-half its previous price, producing serious consequences, of course—indeed, bankruptcy. We recall that the President of the United States at that time, Mr. Cleveland, demanded that there be a cessation of coinage in the United States, and England, by act of Parliament, decreed the extension of the

gold standard over India in 1900. However, the rupee continued in circulation, and £445,000,000 sterling were lost for all time in India in the effort to accomplish the impossible.

When the idea was abandoned in 1925 Great Britain was still unconvinced, and there was created an Indian Currency Commission, which in 1926 recommended the so-called gold-bullion standard, fantastic in design and impossible in practice. It decreed the destruction of the rupee and the dumping of the resultant bullion on the world's market. However, it was confronted with obstacles. Its paper substitutes for the rupee were rejected by the people and Great Britain was compelled to modify its announced plan.

Silver as a measure of value has accompanied every world movement designed to stimulate exchanges, and the extension of the world's purchasing power, and throughout the world the people have attempted to increase its use in spite of bitter opposition. The shrinkage of legal tender money consequent upon the enormous and unceasing demands for it automatically advanced the market value of silver bullion from the close of the World War, in 1919, from 60 cents to $1.40 per ounce in gold. No inflation resulted, and the situation brought about as a consequence of the rise in silver gave hopeful promise of the legitimate and desirable rise in prices, with no basis for inflationary activities. It seemed that bimetallism had become automatic, and the problem of silver and gold happily adjusted.

Unfortunately, our Government sought to prohibit the export of standard dollars, while making it plain that no prohibition existed against the export of bullion. Accordingly more than 29,000,000 silver dollars were sold to the exporters by the Treasury, which were melted at Shanghai, and dumped on the market to "regulate our exchanges with countries having a silver money standard." These efforts to destroy silver have contributed to world financial and economic disorder. They have injured even gold, which now shuns the habitations of men. It finds no place in the channels of trade. It is a stranger to the people; it has failed to be a proper world measure of value. It has been aggressive in character—hidden, but nevertheless a powerful tyrant.

Mr. Keynes recently said:

> The periods when the supply of gold was such as to make it capable of serving the needs of the world's principal medium of currency have been rare and intermittent. If any metal is to make this claim on the basis of long historical experience it must be silver, not gold.

I repeat, there is a conviction upon the part of many people that the gold standard has failed to meet the needs of the people and that silver must be restored to its proper monetary status.

A short time ago an organization in Great Britain promulgated a statement bearing upon the question of bimetallism. Some of the leading statesmen of Great Britain are members of that organization. Sir Robert Horne, a distinguished leader in Britain and a member of Parliament, was chairman; Sir Hugo Cunliffe-Owen, a distinguished statesman and economist, was also a member, together with Rt. Hon. L. S. Amery, a member of Parliament.

This organization declared that—

> Metallic-currency reserves in silver, which would then become freely available for payment of international differences as well as in support of domestic currency reserves. The metallic basis of credit would thus be expanded and the level of commodity prices raised and kept higher and more constant than would be possible with gold alone.

Here was an appeal for bimetallism by more than 30 of the most distinguished representatives of capital and labor in Great Britain. It contained a declaration that gold was inadequate, and a prediction that with its powerful grasp prices would continue to shrink and economic disaster would be inevitable.

The organization further declared that cooperation between the British Empire and the United States and France, and reintroducing silver into the monetary system of the world, would result in the present depression ending and prices could be rendered comparatively stable on their higher level.

Mr. President, we know that the increasing strain upon gold reserves resulted in various countries abandoning the gold standard because of its inadequacy to meet governmental and domestic needs.

A research was recently made by the League of Nations and the McMillan Committee of Great Britain, into world conditions, and they pointed out that the world's production of goods demanded increased currency and credit, and that the gold available to meet monetary needs was a diminishing quantity.

It has been stated that one of the causes of the economic and financial trouble was the depreciation of silver not only in silver-standard countries but throughout the world. It seems to me that in view of the fact that a few countries have most of the gold and are draining other nations of their gold, they are contributing to the economic problems of the world.

Mr. President, I believe that the world's progress not only demands the rehabilitation of silver but a redistribution of gold; that there is now a maldistribution of gold everyone must concede. I have offered a bill calling for the coinage of gold for circulation and upon some other occasion I shall ask for its consideration.

Mr. President, I shall detain the Senate no longer. I express the hope that the bill under consideration may be defeated. Confused conditions throughout the world forbid, it seems to me, the passage of a measure which will have a disturbing effect upon international affairs. In this critical period it is my deliberate judgment that the passage of this bill would be harmful not only to the American people but to democratic nations; it would have unfavorable repercussions in the republic to the south of us.

And our neighbor upon the north is engaged with its associate commonwealths in a titanic struggle. Our relations with it are most cordial, and it is obvious that the enactment of the measure under consideration would interpose obstacles to continued commercial and business relations and might affect in some degree the credits and financial transactions between the two Governments or their nationals. I emphasize the fact that this is a most inauspicious occasion to consider the bill before us, and its enactment would be followed by consequences which, in my opinion, would be not only unfortunate and disadvantageous but injurious to our own and other countries.

I cannot help but believe that we should defeat this bill not only for our good but for the good of the peoples in other lands and of those who come after us.

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point an editorial from the New York Times of May 9, 1940, under the heading, "No Mexican Arbitration."

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

[From the New York Times of May 9, 1940]

NO MEXICAN ARBITRATION

It is to be regretted that Mexico has seen fit to turn down Secretary Hull's offer to arbitrate the oil dispute. Though it was doubtless within its rights in so doing, the Mexican Government has followed a course which leaves relations with the United States on a decidedly unsatisfactory basis. Arbitration might have provided a solution compatible with both the interests and the self-respect of each nation. As it is, both are losers.

The decision comes at a moment when the Senate is debating a bill which would end American purchases of foreign silver. It is absurd that our Government, during all the period that the seizure of American property in Mexico has been going on, and during all the period that the Mexican Government has been putting off or evading the question of compensation, should have continued to lend substantial financial support to the latter by its very substantial purchases of Mexican-held silver at artificially high prices.

These purchases should in any event be terminated at the earliest possible moment—not in retaliation for Mexico's policy in seizing the property of American citizens but simply because there was never any good reason in the first place why our Government should have been forced by a fantastic domestic law to load itself up with foreign silver for which it has not the slightest need.

Mr. KING. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BROWN in the chair). The clerk will call the roll.

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

Adams	Connally	Lee	Russell
Ashurst	Danaher	Lodge	Schwartz
Austin	Davis	Lucas	Schwellenbach
Bailey	Downey	Lundeen	Sheppard
Bankhead	Ellender	McCarran	Shipstead
Barbour	Frazier	McKellar	Slattery
Barkley	Gerry	McNary	Smathers
Bilbo	Gillette	Maloney	Smith
Bone	Glass	Mead	Stewart
Bridges	Guffey	Miller	Taft
Brown	Gurney	Minton	Thomas, Idaho
Bulow	Hale	Murray	Thomas, Okla.
Burke	Harrison	Norris	Thomas, Utah
Byrd	Hatch	Nye	Townsend
Byrnes	Hayden	O'Mahoney	Truman
Capper	Holman	Overton	Tydings
Caraway	Hughes	Pepper	Vandenberg
Chandler	Johnson, Calif.	Pittman	Van Nuys
Chavez	Johnson, Colo.	Radcliffe	Wagner
Clark, Idaho	King	Reed	Walsh
Clark, Mo.	La Follette	Reynolds	Wiley

The PRESIDING OFFICER. Eighty-four Senators have answered to their names. A quorum is present.

Mr. BARKLEY. Mr. President, I understood that the Senator from Missouri [Mr. CLARK] desired to address the Senate, but he is not present in the Chamber.

I wish to express the hope that we may obtain a final vote on the pending bill today. Inasmuch as I have a very brief statement to make concerning it, I suppose I might as well make it now.

Mr. President, I am opposed to the pending bill. In opposing it, I am not posing as an economist or monetary expert, or anything of the sort; but I am opposed to the bill because I believe that the importation of silver, in the quantities which are now coming in or are likely to come in in the near future, not only is not harmful to our economy but is helpful to it.

In order that we may not be confused about what is really happening, I think it ought to be stated that we are not really buying silver in the ordinary sense. We are not taking the money of the taxpayers and paying it out for silver to be buried at West Point or anywhere else. It is true that under the law which Congress passed a year ago we are taking over a certain portion of domestically mined silver in the United States. It has always been the practice and the law that whenever silver is produced and is offered to the mint or the assay office, in order to enjoy the privilege of having such silver coined into money, the producer or owner of the silver must pay to the Government a certain percentage of it. The percentage which is kept by the Government is called seigniorage. A simpler word might have been devised, but that is what it has always been called. If one were to take a load of wheat to the mill and the miller were to keep a certain portion of it in return for grinding it into flour, he would call it a toll. It is the same thing. As a result of the toll or seigniorage which is kept by the Government after coining the remainder of the silver and delivering it back to the owner or producer, there is naturally an accumulation which is not all coined into money. A portion of the silver stored at West Point or elsewhere is made up of the seigniorage which has been kept by the Government as its pay for operating the mint and coining the other part of the silver into money.

Until last year the Government retained 50 percent of all the silver brought to the mint to be coined, and since the amount of silver which goes into a dollar, based upon the dollar value of the coined silver with the Government stamp upon it, is equal to $1.29 an ounce for the silver coined, and inasmuch as half of it was kept by the Government and the other half turned back to the producer or the owner, the equivalent of the price obtained by the producer was about 65 cents an ounce. In other words, he took back one-half of all his production, and for that one-half he got $1.29; but, inasmuch as he only got half of his silver back, it was the equivalent of about 65 cents an ounce for the whole.

Last year we amended the law so as to provide, instead of the Government keeping approximately 50 percent of the silver brought in, it would keep about 45 percent, and the way it works out now is that a man who brings the silver to the mint and has it coined into money gets back a portion which is equal to 55 percent, and when that percentage is related to $1.29, which is the value of the silver which goes into the dollar, he is now getting about 71 cents an ounce for his silver.

Under the Silver Purchase Act of 1934 the Treasury was authorized to buy silver that comes in from other countries, and, in order that the figures may be put into the RECORD as to the quantity of silver that has been bought since 1934, I have secured the latest tabulation of the Treasury Department, from which I will read:

> The total amount of silver purchased up to date since 1934 is 1,950,000,000 ounces; the total dollar value of those 1,950,000,000 ounces is $985,000,000.

At the beginning the price which silver brought in the open market, and which was paid by our people in exchange for goods, was 52 cents an ounce. Following the introduction a year or so ago of the bill which has been referred to frequently by the Senator from Delaware prohibiting the further purchase of foreign silver, the world price of silver dropped from 52 cents down to 43 cents, and has since been 35 cents, which is the present world price of silver. That is what is being paid; that is the rate at which silver is being accepted by American interests in return for the exchange of goods. So now the silver that comes into the United States is coming in at the rate of 35 cents an ounce. The amount of silver that has been brought in and is being brought in, of course, is flexible. Last year there came in from Mexico $31,000,000 worth of silver.

In accepting the 1,950,000,000 ounces of silver at a valuation of $985,000,000, that does not mean, Mr. President, that 985,000,000 American dollars taken out of the Treasury of the United States have been used in the purchase of this silver. It means that $985,000,000 worth of American goods—farm goods, factory goods, all sorts of goods—have been exported from the United States into other nations, and that, in payment for those goods of ours, which we have produced and sold, this amount of silver has come into the United States. Therefore, Mr. President, it seems to me that in determining the merits of this proposed legislation, regardless of any effect it may or may not have upon our monetary system—and on that point I agree with the views of the senior Senator from Utah [Mr. KING], the Senator from Oklahoma [Mr. THOMAS], the junior Senator from Utah [Mr. THOMAS], the Senator from Nevada [Mr. PITTMAN], and other Senators who have spoken on the subject—we must consider that as this bill was originally introduced—and we can only consider what is in the mind of a Senator when he introduces a bill—it prohibited the purchase by the Government of the United States under the Silver Purchase Act of 1934 of all silver, foreign and domestic, because it repealed the Silver Purchase Act of 1934. It developed, of course, that a bill of such breadth and effect, repealing the entire Silver Purchase Act of 1934, could not pass. Therefore, it was amended so as to apply only to the purchase of foreign silver; and it is in that condition that it is before the Senate at this time.

I ask Senators, in all sincerity, Is it of any value to our people that in the last 6 years they have been able to sell $985,000,000 worth of American goods which they might not have sold if it had not been for the fact that they could sell it in exchange for silver?

Of course, speculation is always easy, and it is always difficult to prove a speculative proposition, but I think it is fair to say that but for the exchange of silver on the part of other countries which produce it for the $985,000,000 worth of American products, the larger portion of that $985,000,000 worth of American products would not have been sold to foreign nations.

That raises, it seems to me, a very pertinent inquiry. Is it more valuable to us as a nation to have sold $985,000,000 worth of our goods and to have employed the men and women who produced those goods, or would it have been more valuable for us to have piled those goods in our warehouses and storehouses and on our farms without the ability to sell them

anywhere in the world? If we could not sell them anywhere in the world and accept what other nations had with which to pay for them, the question would naturally arise, Would we be so foolish as to continue to produce such commodities and pile them up in the factories, or would our industrial enterprises close down or reduce their production and thereby throw out of employment thousands of our people—and it may be hundreds of thousands?

The Senator from Delaware continuously urges that we have no use for this silver, and he has repeatedly stated that it is without value. Value, of course, is always a relative term; but this is the first time, in my recollection, that anybody seriously has urged upon the country the proposition that silver is valueless.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Delaware?

Mr. BARKLEY. I will yield in a moment. It is now worth, in the world market, 35 cents an ounce. It was worth 52 cents an ounce, and was worth even more than that only a few years ago.

As has already been so exhaustively explained by the Senator from Oklahoma, the junior Senator from Utah, the Senator from Nevada, the senior Senator from Utah, and other Senators, silver has had a value throughout all the ages of civilized man as a medium of exchange; and more countries are now using silver as a medium of exchange and as a part of their monetary systems than are using gold.

It may be that because of the chaotic condition of the world market, due to the war which has now enveloped Europe and a part of Asia, their monetary systems have been thrown out of kelter; it may be that they have been disorganized, and the use of silver as a monetary medium of exchange may be not so widespread now as it would be in ordinary peacetimes or as it may be when the war shall have ended; but, in view of the history of money, in view of the ease with which silver may be used for money, I cannot conceive of the time coming in the near future, if ever, when silver will no longer be used among the peoples of the world as a means of exchange through which they can purchase and sell the products of their labor and secure the commodities they require. I now yield to the Senator from Delaware.

Mr. TOWNSEND. The able Senator from Kentucky must know that we cannot exchange our silver for goods anywhere else in the world. I mean, we cannot pay for them with silver. No other country in the world will accept it. The Senator also must know that in saying silver has no value, that is the reason why I say it, and that I am quoting the Chairman of the Board of Governors of the Federal Reserve Board.

Mr. BARKLEY. I do not happen to agree with the Chairman of the Board of Governors of the Federal Reserve Board on that question. The Senator does.

Mr. TOWNSEND. That is good authority, I think.

Mr. BARKLEY. I have great respect for the Chairman of the Board of Governors of the Federal Reserve Board. He is an able banker and an able financier. There are many persons in the world with whom I do not agree on some things. I agree with Mr. Eccles on many things, but I do not happen to agree with him on this one.

Mr. TOWNSEND. The Senator must agree, though, that we cannot take our silver to any other country in the world and there pay for goods with it.

Mr. BARKLEY. The Senator has reiterated that statement over and over again, and it has been disproved over and over again by everybody who has discussed the subject.

Mr. TOWNSEND. Is not the statement true?

Mr. BARKLEY. No; it is not true. I can take a silver dollar into Canada, into Mexico, or anywhere else, and buy anything I want to buy with it. The Senator knows that.

Mr. TOWNSEND. That is not what I am talking about. I am talking about using silver bullion to pay for goods which are sent here from any other country in the world. It cannot be done.

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

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

Mr. PITTMAN. The Senator from Delaware does not mean that.

Mr. BARKLEY. I think he does. He seems very earnest about it.

Mr. PITTMAN. A person may bring here from Canada anything he wants to bring, and he can sell it for dimes, quarters, halves, or dollars, and will be happy to take them.

Mr. BARKLEY. Of course.

Mr. PITTMAN. The same thing is true with regard to Mexico.

Mr. BARKLEY. The same thing is true with regard to Mexico, and the same thing is true with regard to China, and Chile, and Peru. Anybody who has gone anywhere outside the United States knows that he can take a silver dollar anywhere and pay his bills with it, and buy anything he wants with it. He might not be able to go to the treasury of the government of a foreign country and pay the debts he owes that government. I do not know whether or not he could do that; but not many of our citizens owe foreign governments any debts.

Mr. TOWNSEND. The silver bullion that we have buried at West Point cannot be used to pay for goods in any other country in the world.

Mr. BARKLEY. The silver buried at West Point and the gold buried at Fort Knox have been talked about so much that some day I expect to see them rise from the dead and come marching into the Senate Chamber.

Mr. TOWNSEND. They may do it down in Kentucky.

Mr. BARKLEY. Mr. President, I was discussing the fact that silver is of value. We know it is of value; and we know that if we enact legislation providing that the Treasury of the United States and the Government of the United States no longer can accept silver mined in foreign countries it means that American manufacturers can no longer accept silver in payment for their goods; or, if they should accept it, they would have to accept it at a greatly reduced price. It is my opinion that if the United States should discontinue the purchase or the acceptance of silver that result would follow. "Purchase" is the word that is usually used; but it is a misnomer, because it is not a purchase on the part of the Government of the United States.

Mr. TOWNSEND. Mr. President——

Mr. BARKLEY. I yield to the Senator.

Mr. TOWNSEND. Why is it not a purchase?

Mr. BARKLEY. Because, in the first place, the Treasury never gets the silver until somebody else in the United States has gotten it. It is brought into this country in exchange for goods. It finds its way to the assay office; it finds its way to the mint; and in exchange for that which is turned over to the Treasury, silver certificates are issued, but not money out of the Treasury, although now and then temporarily a check is given on balances in a Federal Reserve bank, which is immediately replaced by silver certificates representing the value of the silver. So the Senator from Delaware does not contend that out of tax money, revenues of the Government, the United States is buying silver from foreign countries.

Mr. TOWNSEND. No; I do not so contend, and I never have.

Mr. BARKLEY. That is all I am contending.

Mr. TOWNSEND. But the Treasury Department's report shows that the Government owns so much silver. How does it own it if it did not buy it?

Mr. BARKLEY. I was trying to explain that to the Senator. The Senator knows how it owns it. I do not have to explain it to him. A portion of it is what the Government keeps out of domestic production. Forty-five percent of all domestic production that is turned in for the purpose of coining money is kept by the Government, and goes into the bulk of our silver; and, of course, whenever any foreign silver is brought to the Treasury, a silver certificate is issued. That silver certificate sets forth that there has been deposited in the Treasury of the United States a dollar in silver, which is represented by the silver certificate; and that money is sent out among the people to pay expenses, salaries, debts, and buy goods, as the Senator knows, and becomes a part of the circulating medium of the United States.

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

Mr. BARKLEY. I yield.

Mr. TOWNSEND. The able Senator from Kentucky must know that under the law we are to purchase domestic silver at 71 cents an ounce.

Mr. BARKLEY. Yes; I said that awhile ago.

Mr. TOWNSEND. That silver is to be purchased by the Government.

Mr. BARKLEY. No; that is not a purchase.

Mr. TOWNSEND. Is it not?

Mr. BARKLEY. No; it is not a purchase. The Senator knows that it is not a purchase. The owner of the silver brings it to the Government. The Government coins it and gives back to the owner 55 percent of it, and he takes the 55 percent and does as he pleases with it. The Government keeps 45 percent of it. The Government may either coin the 45 percent and pay its own obligations with it, or it may use it as a basis for the issuance of further silver certificates if it desires to do so; but it is not a purchase in the ordinary sense, that in order to buy the silver the Government takes out of the Treasury money put there by the taxpayers.

Mr. TOWNSEND. I agree to that statement.

Mr. BARKLEY. That is what a purchase means.

Mr. TOWNSEND. But it is necessary for the Government to purchase the silver, because the Government owns it after it is brought to the Government. Does the Senator from Kentucky mean that the man to whom he refers takes back 55 percent of the silver and keeps it, and then brings it back and sells it to the Government over again?

Mr. BARKLEY. No; I do not mean that. I mean that at the mint the silver has been coined. The owner gets back 55 percent in dollars, quarters, half dollars, or in whatever form he wants it. The Government keeps 45 percent of it as its toll.

Mr. TOWNSEND. That is it.

Mr. BARKLEY. That is not a purchase.

Mr. TOWNSEND. If it is not a purchase, I do not know what would be a purchase.

Mr. BARKLEY. It is a charge the Government makes for the coinage of the silver.

Mr. TOWNSEND. What is the man taking? He is taking dollars in exchange for what he brought.

Mr. BARKLEY. Yes; and he brought in silver.

Mr. TOWNSEND. Exactly.

Mr. BARKLEY. He brought it in in the form of bullion, and he takes back dollars; and the Government keeps a part of the bullion as its charge for coining the 55 percent the producer takes back.

Mr. TOWNSEND. He takes back dollars because the Government stamps the bullion into dollars.

Mr. BARKLEY. Of course.

Mr. PITTMAN. Mr. President——

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

Mr. PITTMAN. Prior to the last Gold Act, prior to 1934, anyone having gold bullion could take it to the mints and have it minted into gold—fives, tens, and twenties—could he not?

Mr. TOWNSEND. I think so.

Mr. PITTMAN. Was any purchase connected with that transaction?

Mr. TOWNSEND. No; but the Government gave it back to him as money.

Mr. PITTMAN. Suppose it gave back half of it instead of all of it. Would there be any purchase about it?

Mr. TOWNSEND. Of course, if the Government accepts it and takes title to it.

Mr. PITTMAN. What did the Government pay for it?

Mr. TOWNSEND. That does not make any difference. When goods are exchanged, when the title to the goods changes, that is a sale.

Mr. PITTMAN. The Senator knows that, under the Constitution of the United States—I do not know whether Mr. Eccles has told him this or not—our monetary system was based on gold and silver. So many grains of silver constituted a dollar, and so many grains of gold constituted a dollar; and everybody who had gold or silver was invited to come to the mint and have it minted freely into coin, and did so. That went on with regard to gold until the recent Gold Act of 1934. It went on with regard to silver until the act of 1873 with regard to silver. The coinage of silver has never been considered a purchase, no matter what was charged for coining it.

Mr. ADAMS. Mr. President, may I ask the Senator from Nevada a question?

Mr. BARKLEY. I yield.

Mr. ADAMS. Is the point made by the author of the bill that if the Government takes gold and gives back 100 percent of it in coin it has not purchased the gold, but if it gives back 55 percent of it in coin and keeps 45 percent, that is a purchase?

Mr. PITTMAN. That is the contention.

Mr. TOWNSEND. No; that is not my contention. I think whenever anything is brought to the Government, and the Government accepts it and gives something in exchange for it, that is a sale.

Mr. BARKLEY. The Government gives back to the producer his own property in a little different form in the matter of domestic production; and it gives back to the producer or the owner of silver produced in a foreign country a silver certificate instead of the bullion he brought to the Government.

Mr. TOWNSEND. That is correct.

Mr. BARKLEY. That silver certificate does not represent any money that has been put in the Treasury by the people of the United States. The Senator knows that.

Mr. TOWNSEND. It is put out as dollar bills, $5 bills, or $10 bills; and when the owner accepts those bills for something he has brought there, the Government has bought it; he has made a sale.

Mr. BARKLEY. If the Senator wants to contend that the Government has bought that silver and paid money of the Treasury for it, he may do so.

Mr. TOWNSEND. It has, too.

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

Mr. BARKLEY. I yield.

Mr. PITTMAN. Let it be remembered that under the Silver Purchase Act the Government was required to coin and issue money to the amount of the purchase price of the foreign silver. The Senator recollects that. For instance, if the Government purchased 100,000,000 ounces of silver at 35 cents an ounce, it would issue silver certificates to the amount of the purchase price at the monetary value of $1.29 an ounce. Today it purchases an ounce of silver for 35 cents. Three-fourths of an ounce of silver is a dollar, and a third of three-fourths is one-fourth. In other words, 25 percent of the ounce the Government bought would pay for the silver issued in the form of silver certificates at $1.29 an ounce. The other three-fourths of the ounce the Government bought would be seigniorage, profit, and that is approximately the seigniorage we have now. All the Government did was to take that silver and issue it to the Federal Reserve banks in the form of silver certificates at $1.29 an ounce for the purchase price of 35 cents an ounce. That increased the circulation of the country. If the country needed further circulating medium—and I contend that the record shows that it does—then the Government gained by the issuance of this circulation.

That is all it has paid for it. The other three-fourths of the ounce the Government acquired is all seigniorage and profit, and it could today sell that seigniorage and profit for 5 cents an ounce, and come out equal on the transaction.

Mr. BARKLEY. Mr. President, I do not wish to detain the Senate. I am hoping that we may get a vote on the pending measure today; and I do not make this suggestion, of course, for the purpose of hastening the vote, but we have been considering the bill for a week or more, and I should like to have it disposed of.

While I stated awhile ago that a total of 1,950,000,000 ounces of silver had come into this country since 1934, the amount which is now coming in has been reduced to such an extent that, so far as monetary silver is concerned, it does not amount to much. As I stated awhile ago, only

$31,000,000 of silver came in last year from Mexico, and Mexico is the largest exporter of silver to the United States. We took in several million dollars' worth from Canada; we got some, not much, from China, and we got some from Peru and Chile, I believe.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Kentucky yield to the Senator from Colorado?

Mr. BARKLEY. I yield.

Mr. ADAMS. How much has our gold stock increased in the last year? It has increased roughly $3,000,000,000, has it not?

Mr. BARKLEY. I do not have the exact figure, but it is a little more than $3,000,000,000. Our gold stocks now amount approximately to $19,000,000,000.

Mr. ADAMS. What has been the cost to the Government of all of the silver which has been purchased under the Pittman Silver Act?

Mr. BARKLEY. The total amount of foreign silver purchased since 1934 has been 1,950,000,000 ounces, costing a total of $985,000,000.

Mr. ADAMS. Then the Government has bought more gold in the last year, so far as cost is concerned, than it has bought of silver during the entire history of the Pittman Silver Act?

Mr. BARKLEY. Yes, if the word bought is the proper term. It has accepted, it has received, and issued gold certificates for three times as much gold in the last year as the total amount of silver which has come in since 1934.

Mr. ADAMS. If the gold were coined into gold pieces, according to the statutory standard, the Government would have nothing left, that is, it would pay out in gold dollars the full amount of its cost. In other words, it has paid for the gold in coinage value.

Mr. BARKLEY. It has paid for the gold in certificates which have been issued, which are not a part of the circulating medium, as the Senator knows, but the Government has issued a certificate to whomever brought gold in—it has been largely by the Federal Reserve banks—showing ownership in that gold. But if the Government had coined all that money itself, and sent it out into circulation, of course the Government would have nothing left.

Mr. ADAMS. If the Government has increased its gold supply $3,000,000,000, it has paid for it $3,000,000,000, and if it were to coin it and put it out it would go out as $3,000,000,000.

Mr. BARKLEY. That is true.

Mr. ADAMS. With the silver it is quite different, is it not?

Mr. BARKLEY. It is, because the silver is treated differently. When the Government accepts foreign silver it issues a silver certificate which goes out into circulation among the people.

Mr. ADAMS. That is, the Government could pay in silver dollars the $900,000,000 it has paid for this store of silver and still have left a large volume of silver available for subsequent coinage?

Mr. BARKLEY. That is my understanding.

Mr. ADAMS. Does the Senator have clear in his mind, so that he can explain it to me, why we should be so interested in stopping the relatively small purchase of silver and yet continue the great purchase of gold?

Mr. BARKLEY. I do not know whether or not I can explain it to the Senator. I have a suspicion that the Senator from Colorado already understands it as well as I do, if not better. If, with his keen and alert mind, and with his knowledge of silver and gold and monetary matters generally, as well as financial matters, he does not already understand that matter, I would doubt very much whether I should essay the duty of undertaking to explain it.

Of course, we all realize that gold is coming into the United States also in exchange for our goods, and that we have obtained the gold by reason of that process and because capital probably is fleeing certain other countries, and the world recognizes gold as a valuable basis for international trade, as well as a valuable basis for the issue of money, paper money, and so forth. We have been receiving large quantiites of gold, and, as the Senator from Oklahoma so ably explained, of some twenty-seven or twenty-eight billion dollars' worth of monetary gold in the world, we have now about $19,000,000,000 worth of it.

What will be the ultimate solution of the gold problem I do not think we can determine. The wisest economists and monetary experts disagree as to what finally will be the result of the accumulation of the large amount of monetary gold we have in storage. But it seems to me that the bill which is now under consideration is straining at a gnat while the camel is still at large, subject to be swallowed.

The difference is that in the last 3 or 4 years the amount of silver coming into this country has been on the decline, for in 6 years there came in $985,000,000 worth, but last year, from the largest silver-exporting country, there came only $31,000,000 worth. So it does not create a problem so far as our monetary system is concerned, but its withdrawal would, in my judgment, create a problem of proportions sufficiently large to give us concern with respect to the manufacture and sale of the things we are producing by the labor of our people.

Mr. ADAMS. Mr. President, is there any very great difference in the economic processes? The silver comes into this country in exchange for American products of one kind or another, and the gold comes in exchange for some form of American products, does it not?

Mr. BARKLEY. That is true. They are both interrelated with international trade.

Mr. ADAMS. They both come as a medium of purchase?

Mr. BARKLEY. That is true.

Mr. ADAMS. For the purchase of some American products?

Mr. BARKLEY. That is true.

Mr. ADAMS. What I was asking was whether or not there is any distinction in principle between the way we are treating gold and the way we are treating silver?

Mr. BARKLEY. I think that, as a matter of principle, they are both on an even keel. The only difference in detail is as to how we handle the gold and silver after we get them. They are both mediums of exchange for products between the nations of the earth, and particularly as we are affected, between us and the other nations.

Mr. ADAMS. If some are disturbed about our products going out in exchange for metal, they should reflect that we are sending out of the country perhaps $60,000,000 of products in exchange for silver and $3,000,000,000 of products in exchange for gold.

Mr. BARKLEY. That is true. The Senator from Delaware has suggested that our sending out in 6 years $985,000,000 worth of American products in return for silver is a total loss, on the theory that we are giving these products away. Someone has even suggested that, instead of giving them to other countries, we should give them to our own people. These products are not owned by the Government, in the first place, and however desirable it might be under some circumstances for the Government to purchase commodities and distribute them among the unemployed, except through the agency of the W. P. A. and the Surplus Commodities Corporation—and the distribution through the latter does not represent a gift, but is an arrangement by which there may be a reduction in prices—we have not adopted any such policy, and there is no way by which the Government of the United States could at this time have bought that $985,000,000 worth of goods which went out of this country, for which it expended silver, and have distributed those goods among the people of the United States.

The silver which has come into this country in return for our goods is worth what it was represented to be worth in value. It has a dollar value for what it represented, whether 52 or 35 cents an ounce. The question which bothers me is whether the silver we are taking is more useless than would be the unsalable goods we would be producing, if we could not exchange the goods for the silver, and if we cannot exchange them, we have to throw someone out of employment.

Mr. ADAMS. Is it not true that silver has commercial uses far in excess of the commercial uses of gold?

Mr. BARKLEY. Undoubtedly; not only here, but throughout the world. One can go into any market in Christendom and find commercial uses for silver to which gold is not applicable and for which gold is not used.

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

Mr. BARKLEY. I yield.

Mr. TAFT. Would the Senator care to estimate the number of years it would take to make commercial use of 3,000,000,000 ounces of silver?

Mr. BARKLEY. No; I would not attempt to predict how many years it would take, but the Senator has recently been engaged over the country in giving figures of one sort and another, and I will assign him that problem, and I would invite him to comment upon it in his next Presidential address.

Mr. TAFT. I think it would take a good many thousand years.

Mr. BARKLEY. It might, but it would not be more thousands of years than gold and silver have been recognized as valuable metals throughout the world.

Mr. ADAMS. Mr. President, how long would it take to use $18,000,000,000 worth of gold in commercial uses?

Mr. BARKLEY. It would take considerably longer than it would take to use $3,000,000,000 of silver in commercial uses or even the same amount of silver in commercial uses.

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

Mr. BARKLEY. I yield.

Mr. TAFT. The parallel between gold and silver is so completely fallacious that I think something ought to be said on the subject. I think everyone agrees that this gold is more or less useless to us, but the difficulty is that no one cares to face the consequences of stopping the purchase of gold, whereas the consequences of stopping the purchase of silver are nil. If we stop the purchase of gold, we in effect revalue the dollar. The moment we stop the purchase of gold we drop the price of wheat and cotton throughout the United States. If we stop the purchase of gold, we are apt to upset the standards on which trade throughout the world is based. I think everyone would like to find a way to stop the purchase of gold. But it is a more serious problem than to stop the purchase of silver. We can stop the purchase of silver, but no one that I know of is willing to undertake to stop the purchase of gold. We never should have revalued the dollar to $35 an ounce, but having done so, we now have the bear by the tail, and we cannot let go. However, we can let go of silver.

Mr. BARKLEY. Mr. President, the problem as to whether we should devalue the dollar was settled years ago. The dollar was devalued, and that devaluation was sustained. The Senator may continue to debate the wisdom of that policy, but it is a moot question now so far as this bill is concerned. Nor do I agree that everyone else agrees that the gold we are taking in is of no value; that it is useless.

Mr. TAFT. I did not say it is of no value.

Mr. BARKLEY. The Senator said that.

Mr. TAFT. I said we would be much better off if we were not to continue importing all the gold of the world, which is at the present time of no practical use to us in any way.

Mr. BARKLEY. No one, not even the Senator from Ohio, has offered an alternative to the acceptance of this gold. As the Senator knows, and we all know, it is a part of the system by which international exchanges and balances and trade are carried on. It is true that silver does not occupy the same status that gold occupies. It is not so important, probably, from the standpoint of value, as is gold, but it is a part of the same set-up that has for centuries gone hand in hand in the interchange of products between one nation and another.

Mr. TAFT. Mr. President, I should like to point out that, so far as the world at large is concerned today, silver is a commodity; gold is the standard of exchange. Maybe it ought not to be, but it is.

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

Mr. BARKLEY. I yield.

Mr. PITTMAN. The Senator from Ohio does not mean that gold is the standard, does he?

Mr. TAFT. Yes; I mean that gold is the standard today.

Mr. PITTMAN. Does the Senator mean we have a gold standard?

Mr. TAFT. I mean that in effect our dollar is equal to a certain number of ounces of gold, and in effect we are on a gold standard. If our dollar falls in value, we permit anyone to secure gold to ship abroad. Why do we buy gold? We buy it in order that our dollar may not increase in value and be revalued. We are on a gold standard today for all practical purposes.

Mr. PITTMAN. The words "for all practical purposes" cover a great deal of ground. Mr. Eccles testified before the committee concerning a great many things, and he has testified that the Government owns almost all the gold. We have, however, given the Federal Reserve banks receipts for the gold. Those receipts cannot be redeemed on the demand of the Federal Reserve banks. If the Senator calls that a gold standard, then it is a different standard than my conception of a gold standard, on which one can get gold on demand.

Mr. TAFT. No; I do not agree with that. That might be one kind of gold standard, but today we are on a gold standard. We maintain our dollar at the equivalent of $35 per ounce of gold. We maintain that standard. We do not allow it to vary. The Treasury's policy has maintained that value of our dollar for the last 6 or 7 years.

Mr. PITTMAN. And we maintain the value of the silver dollar.

Mr. TAFT. Well, we maintain the value of the silver dollar, but we pay 35 cents an ounce for silver instead of $1.29 an ounce. It is purely an artificial conception that silver is worth $1.29 an ounce.

Mr. PITTMAN. But, nevertheless, the silver dollar is marketed at $1.29 an ounce.

Mr. TAFT. No; no one can bring silver to the mint and get $1.29 an ounce. But anyone can bring gold to the mint and receive $35 an ounce for it.

Mr. PITTMAN. The American producer of silver can bring it to the mint and its value is $1.29 an ounce.

Mr. TAFT. That is probably a fiction. The American producer who brings his silver to the mint receives 71 cents an ounce for it.

Mr. PITTMAN. No, Mr. President; it is not a fiction. He takes his silver to the mint, and it is minted, and he gives 45 percent of it to the Government for minting it.

Mr. BARKLEY. And the fact that the Government keeps 45 percent is no fiction.

Mr. PITTMAN. No.

Mr. TAFT. But the fiction is to say that he gets $1.29 an ounce.

Mr. BARKLEY. That is because he gets a dollar that he can use in the purchase of goods worth $1.29.

Mr. TAFT. Does the Senator maintain that if he takes silver to the mint he gets $1.29 for it, and that he can go out and buy $1.29 worth of goods for it?

Mr. BARKLEY. No. I tried to explain that perhaps before the Senator came into the Chamber. I am sorry he was not here. I will repeat to the Senator what I said to the Senator from Colorado. He knows this process just as well as I do. It is not necessary to take time to explain it to him. He knows that the producers of domestic silver bring it in and have it minted into dollars, and the Government keeps 45 percent. The owner or producer takes 55 percent back in coin. And because of that very situation the dollar he takes back, or the coin he takes back, is valuable to him—that part of it—at the rate of $1.29. If the Government coined it all for nothing and he got it all back in coins, it would be worth only $1. But because the Government took part of it, it automatically raises the dollar value of that which he takes back.

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

Mr. BARKLEY. I yield.

Mr. KING. I wish to suggest to my friend the Senator from Ohio that I happened to be in Russia a few years ago, and I went out to the gold mines in the Ural Mountains. They were mining gold there, and on our $20-an-ounce

basis. They could mine it for about $8 or $9. We are now paying them $35 an ounce for the gold that costs them eight or nine dollars an ounce to mine. So we are subsidizing the gold people.

Mr. TAFT. So the Senator thinks we should never have raised the price of gold from $20 to $35?

Mr. KING. I am not answering that question. I am only answering the former suggestion made by the Senator.

Mr. BARKLEY. Mr. President, in conclusion I wish to say only a few other words in respect to the bill. If passed, the bill will materially injure the commercial relations between the United States and its two next-door neighbors. That may be of no consequence to many Senators, but in the chaotic and uncertain conditions in which we find the world today I think it is worth infinitely more than the value of silver to preserve our commercial relations with our two next-door neighbors, Canada and Mexico.

I do not believe that we ought to pass legislation of this sort as a matter of retaliation against either one of them, merely because one of those nations has taken action which we do not approve with respect to certain American properties in that country. I have no way of knowing what the American people would have done, or what the American Government would have done, if some foreigners had come in here and gobbled up all our oil and all our mineral resources. I have no way of knowing what would have happened in this country in such an event; what Congress would have done, and what it ought to do. I make no predictions as to that. But because the Republic of Mexico regards as a domestic question that which I fear we might regard as a domestic question under similar circumstances, ought we to retaliate, not only against Mexico, but against our own people, by saying to Mexico, "You cannot buy what we produce and pay for it in silver"?

Regardless of what anybody may think with respect to the propriety of retaliation against Mexico, certainly no Senator can vote for this bill on the ground that we ought to do anything that would injure our relationship with Canada.

The Dominion of Canada is a member of the British Empire. The Canadian people are very similar to our own people. Many of the Canadian people have gone across the border from the States of the American Union. They live there; they have the same ideals; they speak the same language as we do. As a part of the great union which is known as the British Empire, they are now engaged in a life-and-death struggle. We have lived next door to them for 150 years without even so much as a rifle being mounted on that border to protect us from them or them from us.

It seems to me, Mr. President, that in the condition of mankind today, with no one able to predict with any degree of certainty what the events may bring forth tomorrow or next year, with our Nation undertaking to cultivate and preserve the solidarity of the Western Hemisphere, with all of our western republics joining with us to preserve the Western Hemisphere for the theories of democracy—it seems to me it would be infinitely short-sighted for us here, because of a few ounces of silver, to say to these nations, "We are willing for you to join with us in some matter that may help us preserve our integrity, but we are not willing to make it possible for you to do business with us, or for us to help you in your economic situation," which may in the long run be as important a factor in preserving peace and self-government in America as anything of which I can conceive.

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

Mr. BARKLEY. I yield.

Mr. TAFT. Does the Senator know how much of this two and one-half million dollars a month we pay to Mexico goes to the American mining companies that mine the silver in Mexico?

Mr. BARKLEY. I do not.

Mr. TAFT. Is it not a very substantial proportion, according to the testimony given before the committee?

Mr. BARKLEY. It comes here. The mere fact that Americans may own stock in some of these Mexican mines does not change the situation.

The Mexican silver comes in here in exchange for trade, and American investors get their share of whatever profits are made by the corporation in which they have stock. They do not get the silver.

So, Mr. President, I hope the bill will not be passed. I hope that the American Congress is sufficiently broad-minded to say to all interests, foreign and domestic, that in the situation in which the world finds itself today we do not propose to take chances on the disarrangement of the happy relationships which exist between our Nation and other nations in order to stop a few ounces of silver from coming into our country in payment for goods produced by the people of the United States.

I hope the bill will be defeated.

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

Mr. BARKLEY. I shall be glad to yield in a moment.

While I am on my feet, I regret exceedingly that I find it impossible to support the amendment offered by the Senator from Nevada [Mr. PITTMAN]. I know with what good faith he has offered it; and he knows with what hesitation and embarrassment I disagree with him about anything, because I have such high respect for his character and ability that whenever I find myself on a different side I feel like reexamining my own position to see whether or not I am right.

The effect of his amendment would be to say to any country, "Unless your silver is in exchange for agricultural products you cannot send it here." It so happens that Mexico buys automobiles, textiles, and machinery of various kinds. It does not buy many agricultural products. Canada buys more. Some other countries which send silver to us buy more industrial products than agricultural products. I do not believe we ought to draw the line. If we want to do business with them and want to accept silver in payment for our goods, we ought to accept silver in payment for whatever they need and want. For that reason I cannot bring myself to support the amendment offered by the Senator from Nevada.

Mr. President, I appreciate the patience with which the Senate has listened to my feeble remarks. I hope we can obtain a vote on the entire question this afternoon before we adjourn. If we can, I think the chances are good that we may take a recess until Monday.

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

Mr. BARKLEY. I yield to the Senator from Wisconsin.

Mr. WILEY. I was very much interested in the Senator's discussion in relation to Canada; but, as I recall, he did not give any facts to substantiate his statements. For example, how much silver do we buy from Canada? Recently there was an article in one of our newspapers indicating that, next to Mexico, Japan is receiving the greatest benefit from our silver transactions. I am interested in obtaining the figures.

Mr. BARKLEY. For the year 1939, $7,000,000 worth of silver came in from Canada.

Mr. WILEY. Was that silver mined in Canada?

Mr. BARKLEY. It was Canadian silver.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. PITTMAN and Mr. TOWNSEND addressed the Chair.

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Oklahoma yield, and if so, to whom?

Mr. THOMAS of Oklahoma. I yield first to the Senator from Nevada.

Mr. PITTMAN. Mr. President, I wish to say that I am sorry, of course, that our distinguished leader does not agree with me on my amendment. I think he has made the strongest argument which could be made for the amendment, in that he has quite clearly indicated that all the benefits of the exchange which we have furnished foreign countries through the purchase of silver have really gone to the manufacturers.

Mr. BARKLEY. I said that with respect to Mexico most of our products are manufactured products; but that is not true with respect to Canada and other countries.

Mr. PITTMAN. I still think the Senator from Kentucky strongly supports my amendment.

The other day I made the statement—and I repeat it—that the unfortunate part of our purchase of practically $1,000,000,000 worth of silver abroad, chiefly through London, was that the exchange went almost exclusively for manufactured articles in this country at a time when agriculture was at a very low ebb. Today agriculture is at a still lower ebb. Conditions of war have injured agriculture instead of aiding it, while they have benefited some of our manufacturing institutions. My amendment is the only method I know of by which we can increase agricultural exports without paying export bounties. Therefore, I still think that if foreign silver is to be purchased, the benefit should go to agriculture.

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

Mr. THOMAS of Oklahoma. I yield to the Senator from Delaware.

Mr. TOWNSEND. If I may have the attention of the distinguished majority leader, I desire to say to him that I shall in no way hold up the vote. I am very anxious, as he is, to reach a vote today, and I hope we may be able to vote today on the pending bill.

Mr. THOMAS of Oklahoma. Mr. President, I shall occupy only a few minutes. I wish to offer a few observations relative to some of the arguments which have been made with respect to the pending bill.

This bill has much more significance than has been given to it by some of those who have discussed the measure. It would appear from the discussion that all there is to the bill is purchasing silver and issuing paper money against it, just as we might buy copper, lead, zinc, iron, or some other commodity and issue paper money against it.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. The Senator will agree with me that all there is in the bill is the discontinuance of the purchase of foreign silver; will he not?

Mr. THOMAS of Oklahoma. Mr. President, that question opens up a new avenue. If the original bill introduced by the Senator from Delaware were before the Senate, and if the Congress were to pass that bill, it would repeal three separate and distinct acts.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. That bill is not now before the Senate.

Mr. THOMAS of Oklahoma. I realize that.

Mr. TOWNSEND. That bill was modified by the committee; and the question of discontinuance of the purchase of foreign silver is all that is before the Senate at this time.

Mr. THOMAS of Oklahoma. On a former occasion I suggested that this bill is the beginning of a plan in which other bills will follow. The first bill to come before the Senate was the bill introduced by the Senator from Delaware proposing to repeal three separate and distinct acts: First, the Silver Purchase Act of 1934, by which we buy foreign silver; second, the silver features of the amendment offered by me to the Agricultural Adjustment Act of 1933; third, the subsidy to the silver producers of the West. If Congress were to pass the original Townsend bill, these three acts would be repealed. It was not intended that the Senate should understand from the title of the original bill that these three acts were to be repealed. The title of that bill reads as follows:

To repeal the Silver Purchase Act of 1934—

One act, although the bill would repeal two other acts not mentioned in the title—

to provide for the sale of silver, and for other purposes.

The "other purposes" include the repeal of two additional acts.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. Of course, the Senator is aware that since that time Congress has passed a law fixing the price of domestic silver at 71 cents an ounce. The price is fixed by law. Then the committee decided that it would include nothing in this bill except discontinuance of the purchase of foreign silver.

Mr. THOMAS of Oklahoma. That is obviously true, Mr. President, but my statement still stands. If we now had before us the text of the original Townsend bill, and if Congress should pass the text of the original Townsend bill and it should be signed by the President, the Silver Purchase Act of 1934 would be repealed, the amendments to the Agricultural Adjustment Act of 1933 would be repealed, and the subsidy voted last year to the producers of silver in the West would likewise be repealed. All that did not appear from the title of the original bill. I am not charging any bad faith, because we are supposed to be able to read bills and know exactly what they mean.

The other day in my speech on this bill I made the statement that the bill is the first of a series of bills to accomplish one end—to put out of existence all the permanent money in circulation so that we shall have but one kind of money left; that is, temporary money. Since I made that speech I have run across an article by a gentleman who knows what he is talking about and who has some standing in financial circles in America.

On May 6, 3 days ago, Dr. Edwin W. Kemmerer, international financier and a professor at Princeton University, addressed the twenty-fifth annual convention of the Manufacturers' Association of New Jersey. Speaking for the group which is behind the bill, this is the program which Dr. Kemmerer lays down:

Leave the gold content of the dollar where it is at $35 an ounce.

I agree with that part of his statement. Dr. Kemmerer knows enough to know that we cannot reduce the value of gold below $35 an ounce without bringing about lower prices in the United States.

I pause for a Senator to rise and say that he favors a lower price level than we now have. [A pause.] No Senator rises. We have not balanced the Budget on the present price level. We cannot balance the Budget on the present price level.

A few moments ago the distinguished Senator from Ohio [Mr. TAFT] made the statement that we made a mistake when we devalued the gold dollar and increased the price of gold from $20.67 an ounce to $35 an ounce. Mr. President, had that not been done, at this moment wheat would be selling on the world market for not to exceed 60 cents a bushel. At this moment cotton would be selling on the world market at not to exceed 6 cents a pound. The Senator from Ohio makes the statement that we made a mistake when we reduced the gold content of the dollar and raised the price of gold from $20.67 to $35 an ounce. He says we made a mistake when we provided machinery which brought about an increase in the price of wheat, until it is now selling for approximately $1 a bushel, and an increase in the price of cotton to approximately 10 cents a pound. Both prices are yet too low.

Mr. President, there will be no prosperity in the agricultural sections of this Nation until wheat sells for $1.50 a bushel; there will be no prosperity in the cotton-producing South until cotton sells for more than 15 cents a pound. So I cannot agree with those who say that we made a mistake when we raised the price of gold, which meant reducing the gold content of the dollar and thereby increasing prices.

Dr. Kemmerer says we should not further decrease the price of gold; he says we should not increase it. I am not asking that the price of gold be increased, but he admits, as all admit who understand the problem, that we should not decrease the price of gold below $35 an ounce. We cannot decrease the value of gold below $35 an ounce because if we do we drive prices still lower than they now are.

Reading further from Dr. Kemmerer's article—and to this statement I wish to call the especial attention of the Senate:

Restore our gold reserves to the Federal Reserve banks.

I have made the statement time and time again upon this floor that there is in contemplation a deliberate plan, so soon as a certain group gets a President and a Congress to do their bidding, to return the gold from the Government back to the

several Federal Reserve banks. Dr. Kemmerer, a professor at Princeton University, is now recommending that program.

What does Dr. Kemmerer further recommend?

Plan—

Says Dr. Kemmerer—

an ultimate reorganization of our currency that will withdraw from circulation all kinds of paper money except Federal Reserve notes and restore their full convertibility to gold upon demand.

I made the statement last week that there was in existence a plan to get rid of this form of permanent money, and if that is done, Mr. President, all the money we will then have will be temporary money, money that can be placed in circulation and withdrawn from circulation at the will of the Federal Reserve System.

We now have some silver certificates in circulation. They are permanent money; those dollars are permanently in circulation until withdrawn by the Congress. The Federal Reserve System does not like permanent money. The Federal Reserve System wants temporary money; it is against permanent money; it took out of circulation the national bank notes. Those notes were permanent money until the Congress took the action that it did, but this was not done with my consent. They took out of circulation and canceled a billion dollars of national bank notes, which were permanent money. We have now no national bank notes in circulation.

We used to have Federal Reserve bank notes which were permanent money. Likewise they have been taken out of circulation. What kind of permanent money have we left today? Silver money and United States notes. United States notes are permanent money. United States notes were known as the Lincoln greenbacks, issued at a time of embarrassment in this very building, issued back in the 1860's when the North was trying to finance itself to carry on a war. The North had no money; it had neither gold nor silver; it had to have money; it could not pay the rate of interest demanded by those who held the gold; so President Lincoln recommended to Congress that he be permitted to issue notes of the Government and circulate such notes in payment of the expenses necessary to conduct the war. Under that law several hundred million dollars of permanent money were placed in circulation. Those dollars financed the North in the War between the States. When the war was over, and the States were reunited, and the new Nation began to get on its feet again and to collect revenue, it found it had more revenue than was necessary to operate the Government. So it began to retire the greenbacks, and, as the greenbacks, which were permanent money, were taken out of circulation and retired, money became scarcer and money became dearer.

The same economic law controls the value of money that controls the value of corn or wheat or cotton. Whenever we raise a large crop of wheat, wheat is cheap; whenever we raise a large crop of cotton, cotton is cheap; whenever we fail to raise sufficient wheat to sustain America, wheat goes up, it becomes dear; and the same thing is true as to every other commodity. The law of supply and demand controls the value of each commodity in terms of the others; and it likewise controls the value of the dollar in terms of property. So as the administrations then in control of the Government began to retire the greenbacks they were canceled and money became scarcer; money started to go up in value and prices began to fall.

The Congress in those days, I think, understood the money question better than Congress does today, because the moment the greenbacks went out of circulation and the value of money went up and the value of property went down Congress passed a law that no more greenbacks should be retired. That, however, did not solve the problem, because the greenbacks, although they were in circulation, when collected at the banks and turned into the Treasury were not put back in circulation. So the Congress passed a second law, providing that not only should the greenbacks not be retired further but that the greenbacks in circulation when sent to the Treasury in payment of taxes or what not, thereupon should be put back in circulation. So from that time until this, all these years since the 1870's, we have had about $346,000,000 of greenbacks in constant circulation. When they go into the Treasury, if they do, in payment of taxes, they are put out again. So, as the law now is and has been for seventy-odd years, I think we have had $346,000,000 of greenbacks in constant circulation. They are not being retired; they cannot be retired until we repeal existing law. Not only that, but when they go into the Treasury they are put out again.

I make the statement that this bill is a deflationary bill. If there be those among us who want lower prices for wheat, lower prices for cotton, lower prices for livestock, lower prices for property of every kind and character, then let them vote for this bill, and they will get lower prices.

I repeat that this is a deflationary bill. Under the present law, silver is coming in, and we are issuing paper money against it. Gradually this species of permanent money is being increased; but if we stop its increase, then the reverse trend will take place.

What are we giving for this silver? Back of every silver certificate in circulation there is a dollar's worth of silver. I exhibit to the Senate a silver dollar. We have now 3,000,000,000 ounces of silver in the Treasury. We can take those 3,000,000,000 ounces and coin them into $3,870,000,000. Three billion ounces, at $1.29 an ounce, makes $3,870,000,000. So, if we desire, we can take the silver we now have, run it through the mint, and when we get through have $3,870,000,000 of nice, shiny, white silver dollars; and there is not a man in America who would not be glad to get them; there is not a man in the world who would not be glad to get all of them he could.

What other money do we have that will circulate throughout the world? We have none. Federal Reserve notes are good in America; but, Mr. President, if you were to present a Federal Reserve note to a citizen of some foreign country, he would look at it askance, no doubt.

I exhibited here the other day a handful of paper bills which I collected from various places, and some Senators even offered me money for some of those bills; but they were not worth the paper on which they were printed. We in America do not know the value of foreign paper money. It is not to be wondered at that foreigners do not know the value of our paper money. Paper money is good in the country where it circulates. Outside that country it is not so good.

So, Mr. President, we can coin $2,000,000,000 of silver that we have as surplus and put it in circulation. If an emergency should arise whereby we had to have money, and if Congress would not raise the debt limit, all the administration would have to do would be to go to the silver vaults, take the silver out, run it through the mint, and put the dollars in circulation.

We have $2,000,000,000 in our vaults against which there is no paper money in existence. It is merely lying there. We can coin it any time we see fit and issue $2,000,000,000 worth of new money. Aside from the circulation of silver, what else have we that we could do that with? Nothing. What is back of the Federal Reserve note?

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

Mr. THOMAS of Oklahoma. I yield.

Mr. ASHURST. Why may we not do that with gold?

Mr. THOMAS of Oklahoma. I will tell the Senator why.

Mr. ASHURST. Would it not be most wholesome if the Congress would pass a law providing for the coining of $10,000,000,000 in gold to be circulated among the people? I know of nothing that would be more helpful than to coin the money, rather than to have it lying idle in the ground. Of what possible use is it to mankind? Some Senators seem very much interested in mankind, but I will confine myself to the United States. Of what possible benefit can it be to the United States to have $19,000,000,000 hidden in the ground? Why not coin it into double eagles?

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from South Carolina?

Mr. THOMAS of Oklahoma. Let me answer the question first.

If we should pass a law providing for coining $10,000,000,000 in gold, and provide for placing those gold dollars in circulation, that would be inflation. No man who understands this question will deny that it would be inflation. Mr. President, the currency can be inflated through gold just as easily as it can be inflated through paper.

There is one issue on which a good many persons do not agree. We have one school in America saying, "Expanding credit is inflation. It has the same effect upon prices as expanding the currency." Mr. President, that is not true. If expanding credit were inflation, we would have upon us today one of the greatest orgies of inflation the world has ever seen. We have increased the national debt from $16,000,000,000 to around $45,000,000,000. We have had almost $30,000,000,000 of credit expansion in the United States, and yet prices now are lower and the dollar is higher than in 1929.

I now yield to the Senator from South Carolina.

Mr. SMITH. Mr. President, I was interested in the question asked by the Senator from Arizona [Mr. ASHURST]. He must remember that the people of America cannot be manipulated if they are prosperous.

Mr. ASHURST. I did not catch the Senator's statement.

Mr. SMITH. The people of America cannot be regimented and manipulated and controlled if they are prosperous; and the only way for them to be prosperous is to have an adequate circulating medium.

Mr. THOMAS of Oklahoma. Mr. President, further replying to the Senator from Arizona, the only reason why this gold is not in circulation is because it would be permanent money, and the big banks and the Federal Reserve System cannot control the permanent money. Gold is not now permanent money. It is out of circulation. The banks can control credit; they can control temporary money, but they cannot control permanent money. They cannot control gold dollars. They cannot control silver dollars. They cannot control silver certificates. They cannot control United States notes. As a result, they are against each of those forms of money; and Dr. Kemmerer says the plan is to get rid of the silver dollar, to get rid of the silver certificates, to get rid of the United States notes, leaving but one form of money, Federal Reserve notes, under the complete control of the Federal Reserve System, that can be controlled at will, placed in circulation when they desire, and withdrawn from circulation at their will.

Mr. President, I did not know Dr. Kemmerer was going to come out and sustain the argument I tried to make last week. If this bill passes, what is the next bill that will come before the Senate? If this bill passes, we shall not buy any more foreign silver. Then, if the group back of this bill get control, as they will if this bill passes, the next bill will be for the repeal of the silver subsidy to the producers in the West. We will then pass a bill to withdraw the subsidy from the miners in the West. That will be bill No. 2. Bill No. 3 will be to repeal the provision known as the amendment to the Agricultural Adjustment Act passed in 1933.

Behind every silver dollar is a dollar's worth of silver, two ounces and a fraction. So I contend that the silver dollar, or the certificate based upon silver, today is the best money in the world, and it is the only money for which the holder can get value.

Take the case of the Federal Reserve notes. What can the holder of a Federal Reserve note get? If he should cash in that note he would get 40 cents of gold, and then some hogs or wheat, or some other commodity like that, called a liquid asset, because the only thing back of a Federal Reserve note is 40 cents of gold and 60 percent of some so-called liquid assets; something that can be sold, like merchandise, or a horse, cow, sheep, or something of that character. Well, nobody would want to cash in a Federal Reserve note and receive, in payment, the thing upon which the note is based. They could not very well handle such commodities. So, Mr. President, silver money is the best money in America, and the only money that you can get something for, except in exchange for some other goods or commodities.

Go to the Treasury. If you should present to the Treasury a dollar silver certificate they would weigh you out a dollar's worth of silver. That would be two silver ounces and a fraction of a silver ounce. That is what is back of every dollar represented by silver certificates in circulation today. So, Mr. President, there is not a single excuse for the enactment of this legislation unless you favor the plan which is now proposed by Dr. Kemmerer—to take silver out of circulation and cancel it, cancel the United States notes, and leave but one form of currency, and that is this temporary rubber Federal Reserve currency that can be put into circulation at will and drawn out of circulation at will.

So, Mr. President, I am not for that proposal. It is my judgment that we should have in circulation a very large amount of permanent money that cannot be called in and destroyed at the will of any one person or any group of persons. We do not now have in circulation very much permanent money. We have eighteen hundred million dollars of silver certificates. We have some $346,000,000 of United States notes. That is all.

I do not agree to the plan, Mr. President, that we should retire this permanent money and go upon a temporary-money basis. Especially I do not agree to this program until the Committee on Banking and Currency has made a survey of the whole monetary problem and brought back a report. I understand the committee is now studying our monetary system. So, Mr. President, while that committee brought in this bill to stop the purchase of foreign silver, so far as I am concerned, I shall not vote for the bill.

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from New York?

Mr. THOMAS of Oklahoma. I yield.

Mr. WAGNER. I may inform the Senator—I am sure he will be interested—that I think the printer will return at the end of this week the pamphlet including the questionnaire that we are sending out, which the Senator, having such very expert knowledge upon this whole subject, will realize it took some time to prepare. There are some two-hundred-and-odd questions involved; and at the end of this week, the committee already having authorized that to be done, it will be distributed among all those who are interested in this subject for answer; and, based upon that questionnaire, the hearings will proceed.

Mr. THOMAS of Oklahoma. I am just advised by the chairman of the committee that the machinery is now in motion to conduct a survey of our whole monetary and financial system. If that is true—and I know it is true—why should we now, before the study has been made and before the report has been submitted, take up one issue, which is silver, and proceed to pass upon only one phase of our monetary system?

So far as I am concerned, I shall not vote for this bill. I am against the amendment submitted by the distinguished Senator from Nevada [Mr. PITTMAN]. I can see no good to come from that amendment. I am likewise against the amendment proposed by my distinguished friend from Utah [Mr. KING]. I can see no good to come from that amendment. So I shall be against both of them, and I shall vote against the bill itself.

I realize that those who perhaps have interests in low prices, scarce money, high money, would be for this bill. This bill will make money scarce; it will make money higher and make prices lower.

Speaking for my side of the aisle, what will be the effect, if this happens, along about November?

Mr. President, the price level has controlled every national election in many generations. I want that statement to soak home. The price level has controlled and dictated the winner and the loser in every national political campaign, not only in a generation, but in generations.

Back in 1932 the price level was low. The dollar was worth 167 cents, which meant that prices were the lowest since

1896. In 1896 prices were the lowest in history. The Democrats were in power in 1896. Wheat was selling in Indiana for less than 50 cents a bushel. Cotton was selling in the West for much less than 10 cents per pound, and the prices of other things were in proportion; and the Bryan free-silver campaign was put on to make money more plentiful, to make money cheaper, and make prices higher. But Mr. Bryan did not convince a majority of the people that the silver program would do that identical thing. Nevertheless, the people were not satisfied with 50-cent wheat; they were not satisfied with 5- or 6-cent cotton; they were not satisfied with the vast amount of unemployment in 1896; and, as a result, Mr. Bryan, although in my opinion he was right, went down to defeat.

In 1932 we had the lowest price I can remember. The dollar was worth 167 cents in terms of property. Wheat was selling for 19 cents in my State, cotton for 3 or 4 cents. As a result, Mr. Hoover went down to defeat, and we on this side took charge in 1933. We had for our major program the raising of commodity prices. We raised the price of wheat, we raised the price of cotton, we raised the price of everything from where it was in 1932 until 1936. We had the price level up, we had the dollar down from 167 to 112 in 1936, and as a result we had better prices and cheaper money, and Mr. Roosevelt was elected, I think, by the largest majority ever given a President. He carried all the States but two.

I made the statement in this body not long ago that if the administration now in power does not succeed between now and November in raising the price level the results in November may be embarrassing to the administration now in power. I have made the statement that no political party can sustain itself on a falling price level; and the price level has been falling since 1937, until the last 2 months. The price level is now going up slightly. Unless the price level does go up, so that wheat will sell for higher than the price for which it is selling now, unless the price level goes up so that cotton will sell for more than the figure it is now bringing, and the same as to other things throughout the country, those of us on this side are going to lose some of our colleagues, because the people have never reelected or sustained a party on a falling price level. So far as I remember, they have never failed to sustain a party on a rising price level, and if we can do something to raise the price level, it will help us on our way back to prosperity.

I can understand why some of those on the other side might vote to bring about further deflation, for political reasons—I do not think many would do it, but I can understand how some might—and the bill before us is deflationary. There is no doubt about that, because if the bill shall be enacted, we will stop buying silver, and if we stop buying silver, silver certificates will cease to be placed in circulation, and that is deflationary, and as we go on a program of deflation, that means lower prices.

I am not for inflation, and I know of no one who is. I am for adjustment of the value of the dollar to that point where it will serve the best interests of all our people. The dollar now is too high, it is too dear, which means that prices are too low, and I shall not cease my activities until we get a higher price level, which means a cheaper dollar.

Mr. THOMAS of Idaho. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. THOMAS of Idaho. The Senator admits, then, that the present administration has for some time had the power to increase the price level of farm products?

Mr. THOMAS of Oklahoma. The people who control the money can put the price level at any place where they want to put it. There is no doubt about that.

Mr. THOMAS of Idaho. Does the Senator think that the agricultural interests of the United States are satisfied with the prices they are now receiving?

Mr. THOMAS of Oklahoma. I do not intend to go into that discussion, but I will repeat something I stated less than 2 hours ago. Of course, I was dissatisfied with the prices we received under former Republican administrations.

Mr. THOMAS of Idaho. Certainly.

Mr. THOMAS of Oklahoma. I am not saying that prices ever have been high enough to suit me under the present administration. This Nation embraces 48 States, it embraces the industrial East and the producing West and South. I realize that administrations, in order to do exact justice, must not injure the consumer and must not help the producer too much. I do not think the consumer has been injured too much and I do not think the producer has been helped quite enough. I will be honest with the Senator from Idaho.

As I came by the Department of Agriculture a while ago, I saw those vast buildings there, filled with twelve or fifteen thousand employees, and I made the statement that if the time ever comes again when farmers get on their feet, when farmers can get $1.50 for their wheat, 15 or 18 cents a pound for their cotton, and other prices in proportion, when that time comes, we will not have to appropriate vast sums of money to make parity payments, we will not have to appropriate vast sums of money to make loans to bankrupt farmers. When that time comes the farmers will be on their feet. They will not look with favor upon a Federal program, enacted and managed in Washington. When that time comes the men and women employed in these buildings, if they have no money to disburse, will have no jobs, and must return to private employment. So, when the farmers get back on their feet, we can get rid of bureau after bureau in the Department of Agriculture, we can get rid of person after person there. The Department will lose thousands and tens of thousands of employees. Naturally, some of those employees do not want to have their jobs taken from them, but unless they can keep the farmer in a bankrupt condition, as he is today and has been for years, their jobs will not be secure. But the moment the farmers get back on their feet, we can save multiplied millions in appropriations we make to help the farmers, because they will not need the help. So I am for higher prices, and there is no salvation for the farmer save through higher prices, unless we want to keep him in a bankrupt condition.

Mr. THOMAS of Idaho. Mr. President, will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. THOMAS of Idaho. I have no argument with the Senator over his position in this matter. I am just wondering why the administration has not done the job, after we have given the President the power to do it. I have had the idea that putting silver in circulation might help the situation, but it has not been done.

Mr. THOMAS of Oklahoma. The same argument against silver being placed in circulation can be made against placing gold in circulation. The effect of placing a silver dollar in circulation and placing a gold dollar in circulation is the same. If 2,000,000,000 silver dollars are put in circulation, that is inflationary. If 2,000,000,000 or 10,000,000,000 gold dollars are put in circulation, that is inflationary.

Let me prove that. There has not been a single discovery of gold in the world since history began, if the discovery was of sufficient importance to increase the supply of gold, but that money became more plentiful, money became cheaper, and prices began to rise. Every discovery of gold since recorded history has resulted in inflation, if by inflation we mean more money, cheaper money, and higher prices.

The increase in the supply of money ruined Mr. Bryan's campaign in 1900. Mr. Bryan made a campaign for more money, cheaper money, and higher prices, in 1896, and during the 4 years following gold was discovered in Alaska. My distinguished friend the Senator from Nevada [Mr. PITTMAN] helped discover some of that gold. As gold was discovered in Alaska, it came into the United States, gold itself became more plentiful, and to the extent that gold became more plentiful, gold became cheaper, dollars became cheaper, and as dollars became cheaper, prices began to rise. So in 1900 Mr. Bryan had no argument to support the free-silver program, because prices were up, money was plentiful, and he could not get support and he had to seek some other issue on which to make his campaign in the year 1900.

Mr. THOMAS of Idaho. Mr. President, will the Senator yield again?

Mr. THOMAS of Oklahoma. I yield.

Mr. THOMAS of Idaho. The Senator can reach into his pocket and show us the color of a silver dollar. What would happen to him if he started to show the color of a gold dollar? Yet we have three-fourths of the gold of the world.

Mr. THOMAS of Oklahoma. I can understand why gold is not in circulation. At the time we took gold out of circulation we had only between four and five billion dollars of gold, yet all of our money was based upon gold. We took gold out of circulation because we did not have enough gold to redeem all our money. At that time under the law every man who had a piece of paper money could go to the bank and get gold for it. We did not have enough gold to redeem all the paper money then in circulation, and for that reason we had to take gold out of circulation. And there was another reason, namely, that it is thought to be more important to have gold as a reserve to back our money than to have the gold in circulation.

Then there is another reason why gold is not in circulation. If we put gold into circulation it wears. Gold is very soft, and the alloy in the gold coin is intended to make it hard so that it will not wear. Nevertheless, gold does wear. Older Senators have seen gold $20 pieces or $10 pieces or $5 pieces worn slick. As the gold wears down the piece of coin loses in value.

Under the law when a citizen took a gold coin to the bank to deposit it the bank would give him full credit, dollar for dollar, for such gold, but when the bank sent the gold coin into the Federal Reserve for credit, the Federal Reserve did not count the coin, it weighed it, and the bank making the deposit had to stand the loss of weight in the gold, and they did not like that. Therefore, for that reason, they did not like to have gold in circulation.

Mr. THOMAS of Idaho. The point is that the bulk of the silver is circulated in silver certificates, and it used to be that the gold was circulated in gold certificates. There was no wear on them.

Mr. THOMAS of Oklahoma. That is correct, except as to the wear of the paper itself, and that is not very important.

Personally, I should be glad to support a proposal to put some of the gold in circulation; but it would be against the program of my distinguished friend the Senator from Delaware. His program is to get rid of the silver certificates, to get rid of the United States notes, and have only one kind of money left, namely, Federal Reserve notes.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. TOWNSEND. I do not agree with that statement. The only thing the bill would do would be to discontinue the purchase of foreign silver. It would not affect certificates of any kind or character.

Mr. THOMAS of Oklahoma. The Senator's original bill wiped out all money made of silver—not only foreign silver but domestic silver—and made silver a commodity the same as copper, lead, zinc, or any other base metal.

Mr. TOWNSEND. Since that time Congress has passed a law fixing 71 cents as the price.

Mr. THOMAS of Oklahoma. But we could repeal that law this afternoon. Any Senator can prepare a bill and ask unanimous consent for its immediate consideration, the Chair will ask if there is any objection, and, if there is not, the bill may be passed and go to the House, and it can pass the House this afternoon if the House is in session. Congress can take away the subsidy, and do it just as quickly as Congress desires to do it. If the pending bill shall be enacted, such a measure will be the next bill to follow; and if we discredit silver now, where is the Senator who will want to keep the subsidy of 71 cents for domestically mined silver? If Congress were to take away that subsidy it would have the power to retire the greenbacks. That would leave one form of money—temporary money. There would be no permanent money any more save nickels, dimes, and quarters. All the permanent money would be gone, and all we would have left would be temporary money.

Mr. President, our committee has now begun to make a study. That should be completed, I think, by next year. By the time the next Congress convenes we should have the results of the study of this committee. The Constitution provides that the Congress shall coin money and fix the value thereof. For 150 years the Congress has sidestepped this responsibility to a very large extent. If this committee—having the obligation, having the injunction, and having the power and having the ability—shall make a study of the question and bring back a report so we can have something official which we can debate, then I shall be content to consider their report, and when the Senate shall have come to a conclusion, I shall be glad to abide by that conclusion.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. Perhaps I misconceived the statement made by the Senator. I understood him to say a moment ago in the earlier part of his observations, that he was opposed to the bill I have offered, which provides for the free coinage of gold. As I understood, the Senator a moment ago took the position that he believed in the circulation of gold.

Mr. THOMAS of Oklahoma. I may say that I was opposed to the amendment proposed by the Senator from Utah as a part of the pending bill. I have not had time to consider that. The pending bill is as broad as the financial system of America, and the financial system of America is as broad as the financial system of the world. So, if we pass this measure we shall pass not only on the question of whether we shall buy silver and issue paper money against it. The real question is whether we shall tamper with the system, which should not be done except in an emergency, or until the committees' study shall have been concluded.

As a matter of fact, I shall not vote for the bill until after the study is made. I make no promise now of what I shall do after the study is made.

Mr. KING. Mr. President, I agree with the Senator as to the effect of the bill. It is deflationary. It is an attempt to destroy silver. It is one of the termites that begin to undermine silver and ultimately it will, of course, seek to repeal the Silver Purchase Act, and leave gold entirely as the basis for our financial system.

Mr. WAGNER. Mr. President, will the Senator yield to me for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WAGNER. In voting on this measure I take the same attitude as that expressed by the Senator from Oklahoma. Our committee has been authorized to make the study referred to as part of the general study of monetary and banking policy. The subject of silver is thoroughly covered in the questionnaire now ready for distribution. I do not propose to deal piecemeal with a tremendous problem and vote upon one isolated issue until the committee has thoroughly studied it in relation to our entire monetary policy. We propose to make that complete study, carefully and conscientiously.

The other reason—and this is preliminary to my question—is that during this time of chaos, when the monetary situation throughout the world is so uncertain, it seems to me a very unfortunate thing to take the action now proposed. That was the opinion expressed by the Secretary of the Treasury, Mr. Morgenthau.

I will now state the question I wish to ask the Senator from Oklahoma, to which undoubtedly he has already referred. The statement has been constantly made that the silver which comes to our shores as the result of the transactions involved in the foreign purchase of silver is absolutely useless. It is said that we are actually giving away our commodities in return for a useless metal.

Mr. THOMAS of Oklahoma. Mr. President, it is obvious to all that silver has real value. There is scarcely a family in America that has not some silver in one form or another. Many of them would like to have more. Silver is a most valuable commodity. It is a most valuable metal. It has been regarded as a monetary metal since the dawn of history.

Mr. President, there must be a limited supply of silver in the world. As time goes on and population increases, the demand for silver will likewise increase; and if silver is not found in the future in greater quantities than it has been

found in the past, the time will come in the not far distant future when silver will be very valuable.

So I cannot agree with those who say that silver has no value. It has a commercial value as well as a monetary value.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. Let me call attention to a letter which I received from Dr. Goetz, one of the scientists at the California Institute of Technology. The letter was placed in the RECORD several days ago. He states that silver has peculiar qualities that no other substance possesses. For instance, he says there is no substance, metal or anything else, that can take the place of silver in photography. That there would be no photography whatever in the world today if it were not for silver. No substitute has been found for it. Dr. Goetz stated that the use of silver for such purposes amounted to $10,000,000 in the United States last year.

Taking the reports of the Department of Commerce it will be found that silver was used to the extent of 34,000,000 ounces in the United States and Canada alone last year in the arts and in the sciences. That was nearly half the total production of the United States and Canada last year.

The Department of Commerce also stated that the use of silver in the arts and sciences and commerce in 1939 was 25 percent greater than it was in 1938, thus showing the constant use of silver.

The reports of the mint show that the world production last year was in the ratio of 6½ ounces of silver to 1 ounce of gold.

The average production from 1873 to 1913 was 14½ ounces of silver to 1 ounce of gold.

It will also be found that the market price of silver in the world has been below 35 cents an ounce but once, and that was in 1932, when it dropped to 24½ cents an ounce for about 1 month.

The average price of silver from 1913 to the present time has been 53½ cents an ounce. We all know that during the World War silver, without any government at all buying it, went to over a dollar an ounce, and stayed there during the war, because of the demand for that metal.

Mr. President, there is no doubt that the same thing is going to happen to a certain extent now.

We know of the threatened revolution in India in 1918 because of the inability of Great Britain to redeem the paper currency.

It is perfectly absurd for a distinguished man such as the Chairman of the Federal Reserve Board to inform a distinguished Senator of the United States Senate that silver is a worthless metal, no more valuable than shells.

Mr. THOMAS of Oklahoma. Mr. President, I wish to make one more statement, and then I shall conclude. It is the opinion of many people that if this hoard of silver they have heard about should be released, the people of the world will be walking in silver up to their ankles.

Mr. President, the best records that can be obtained show that there are only about 10,000,000,000 ounces of silver available in the world. There are only 10,000,000,000 ounces of monetary silver available in the world. We have 2,000,000,000 people in the world. We have only enough silver to give each person some 5 ounces, if it were all distributed. All there would be for each Member of the Senate is 5 ounces of silver, if each Member were to have his share.

Mr. President, there is no such thing as a great surplus or oversupply of silver. That is a myth. Such a situation does not exist. If we should acquire all the silver in the world, it would require only about as much money as we are spending in 4 or 5 months to buy all the silver in the world. We now have about 3,000,000,000 ounces of silver, and we would have to buy only about 7,000,000,000 ounces more to get the whole supply of silver in the world, and the amount we would have to spend for that would be the money we spend in 4 or 5 months to maintain our Government. That amount would be sufficient to buy all the remaining silver in the world.

I wish to make that point, in order to disabuse the minds of those who think that the world is simply flooded with silver. Such a conclusion is not well founded.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. The situation may be stated in this way: India has been absorbing silver since the dawn of history, and even when a high duty was put on silver in order to keep India from absorbing it, India that year absorbed 30,000,000 ounces of silver. It is not possible to get the silver out of India.

In 1918, when the Germans convinced the Hindus that England could not redeem the rupee silver notes, there was but one place in the world where 200,000,000 ounces of silver could be found, and that was in the Treasury of the United States. Last Monday I read that statement into the RECORD from Lord Reading's speech. Two hundred million ounces could not be gotten anywhere else in the world, and yet there were 6,000,000,000 ounces in India.

Mr. THOMAS of Oklahoma. Mr. President, I wish to make one more statement on that proposition. If the United States should proceed today to cheapen the dollar comparable with the money of the other great nations of the world, the silver in our dollar would be worth more than their money is worth in relation to what their money was worth before they started to cheapen their money.

Mr. President, there is not a single excuse for the enactment of the pending bill, and I hope it will be defeated.

Mr. WILEY obtained the floor.

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

Mr. WILEY. I shall be glad to yield for a question. I expect to speak for only about 10 minutes. I think I had better continue, after seeing the amount of material the Senator has in his hand.

Mr. President, I desire to speak briefly on the pending bill.

As I read it, the bill would discontinue the purchase of foreign silver. I have listened to much of the argument. Perhaps, because of my lack of education in the field of money economics, some of the questions I shall ask, and upon which I seek light, would indicate ignorance which some of my colleagues can clear up.

My understanding is that behind the original program authorizing the Government to purchase silver was the idea that it would result in building up our foreign trade and achieving certain monetary objectives. To me, the real issue can be phrased in this way:

What effect would discontinuance of the purchase of foreign silver have upon our domestic economy? I am willing to extend that question. What effect would it have upon the economy of other nations of the world?

My understanding from the arguments I have heard thus far is that at present Mexico is the chief beneficiary of our silver purchases. In other words, if we take her silver, she takes our automobiles and other manufactured products. The result, of course, is that by that transaction we put men to work in this country and increase our commerce in the Western Hemisphere, and in return we receive silver which we deposit at West Point. Mexico gets our automobiles, which in the course of a few years will wear out. We increase the labor market in our own country. We sell manufactured products which we have produced from raw materials.

This afternoon I heard the statement of the distinguished majority leader to the effect that Canada produces about $5,000,000 worth of silver a year, and that if the bill were passed, she would be unable to sell her silver to this country. Of course we owe an obligation to Canada. We must give consideration to that fact.

Of late, Mexico has not shown any gratitude toward this country and its citizens; but it appears from today's newspapers that Mr. Sinclair has obtained a settlement from the Mexican Government. Apparently the Mexican Government has been listening to the arguments in the United States Senate. It has agreed to pay Mr. Sinclair $8,500,000 for his share in the oil properties in Mexico.

Mexico's refusal to submit the claims of defrauded American investors to arbitration indicates the existence in that country of a mental attitude which is too prevalent in the world.

However, in spite of that condition, the question arises, What is best for America? What should we do? It has been suggested that if we fail to take Mexican silver, there will be a revolution in Mexico. I do not know whether or not that is true; but suppose there should be a revolution in Mexico: We ask ourselves, What effect would that have upon this Nation and upon our economy? While we take the general attitude that Mexico has the right to work out her own personal salvation, we limit that right by the Monroe Doctrine. We say that we cannot permit her to work out her salvation in conjunction with Japan or the Nazis.

If we should pass the bill, the question arises, How shall we take up the slack occasioned by the loss of Mexican purchases? I have not heard that question discussed. I should like to know the answer. In view of what I have said about American investors losing their property in Mexico, some may say that I do not agree with the doctrine that those who invest abroad must do so at their own risk. In answer to that suggestion, let me say that I am thoroughly in accord with the thought that this Government should not become a collection agency for private investors. Nevertheless, I am in favor of this Government aiding its own citizens wherever they are, especially if they have a just claim; and when a foreign country ruthlessly and unlawfully takes the property of our own citizens and fails to comply with the requirements of international law by paying reasonable compensation therefor, it is the business of this Government not only to protect but to reach out and help its own citizens. I leave to Senators the interpretation of the world help.

There are in this country millions of persons to whom this Government should play Santa Claus in preference to persons in other lands who have no love for us. So I ask this question: If we should stop buying silver from Mexico, might not such action cause Mexico to see the light? Might it not cause that nation to change its idea about Uncle Sam being a wishy-washy sort of fellow? If Mexico should fail to play the part of an upright nation, we ask, Would we have anything to gain by continuing to buy silver from Mexico? In other words, can we afford to exchange the goods we manufacture for an overvalued metal, a metal for which we seem to have found no use unless we decide to coin a considerable amount of it into money?

That brings up the question which was discussed a few moments ago: Why should we not have more hard money? Why should not the Congress of the United States order the coinage of silver and gold? Mr. President, there appear to be economic and political reasons, which have been advanced on the floor of the Senate. It is said that if we stop buying foreign silver, the international market which we have established by our buying will hit the bottom.

Recently there was published in the Christian Science Monitor an article by H. B. Elliston, who, I understand, is considered an authority, in which he claimed that the purchase of silver confers a gratuitous subsidy on Japan and that it has injured the Chinese.

Mr. President, we do not live unto ourselves in this world. We have found that out. Many times we do something and we think merely of that one thing and forget its consequences. Mr. Elliston claims that the purchase of silver confers a gratuity upon Japan and injures the Chinese. He states that when the law went into effect in 1934 it was contended that American buying of silver would aid the purchasing power of the Chinese. The argument, he stated, was phrased in this way:

> Silver will go up in price as a result of the American demand; and then the silver stores of China, the only great country left which uses silver as money, will feel a corresponding lift in value.

The writer says that just the reverse happened. Chinese purchasing power was crippled. The American silver-buying program, he stated, forced up the price of silver, but at the same time the American buying program forced up the value of Chinese goods in Chinese silver money, with the result that the lift in price made it more difficult to sell Chinese goods abroad. Mr. Elliston claims—and I say this is signficant in view of the public demand throughout this Nation—that as a result China became a debtor instead of a creditor nation, and that she had to send out her silver in payment of deficits.

When Japan invaded China, she took all the silver she could lay her hands on and sent it to London, where it was sold to Uncle Sam. In this way Japan has been buying war materials from us.

Japan has made demand on Great Britain that the silver metal held in the Chinese banks in Britain's Tientsin concession shall be handed over. Mr. Elliston contends that if we should pass the Townsend silver bill it would stop the dispute between Britain and Japan. Therefore, we ought to consider that angle.

I wish to say to the distinguished Senator from Nevada [Mr. PITTMAN] that I am in favor of his amendment. I am in favor of it because, if his argument be correct, Japan would not then make this demand, because she needs war materials. She is buying scrap iron.

That brings us to another important question. The way we are going, it will not be long before we shall have most of the gold in the world. If we are to accept only gold, ultimately we shall be able to trade with foreign countries only on a barter basis, unless those countries can obtain credit.

Tuesday morning the Washington Post contained an article by Lloyd Lehrbas entitled "Japanese Gold Sources Baffle United States Officials." It appears that for years Japan has been creating a gold reserve into which she may now be dipping.

Mr. President, I digress from this subject for just a moment. In January of this year I spoke on the proposed Japanese embargo, which was being discussed at that time. Great pressure was coming from our people suggesting that we stop shipping anything to Japan. I was against a general embargo, but I then made a statement which I think is pertinent to the matter under discussion. Speaking about raw materials, munitions, and arms, which it was claimed we were supplying to Japan, I said that this traffic could be reduced without resorting to a congressional embargo. I said that America needs much of this material.

Of late I have received a great many letters indicating that we are depleting America of much material which we now need at home. There are rumors in and out of the Capital relating to the sufficiency and adequacy of America's equipment for self defense in this great hour. What have we in the way of raw materials? Are we spending our resources? Certainly, if we need our raw materials adequately to prepare ourselves, none of them should be shipped to any other nation, especially if in return therefor we should receive only silver.

ACTIVITIES OF THE AMERICAN RED CROSS

Mr. CLARK of Missouri. Mr. President, on this floor and off this floor I have had occasion to draw attention to and criticize the efforts of certain public officials and of certain persons who are not public officials to create a state of public mind in this country as to the inevitability of our being drawn into a foreign war, which efforts in themselves are calculated to draw us into war. I have criticized the activities of Assistant Secretary of War, Mr. Louis Johnson, in his constant trips up and down the United States speaking as to the inevitability of our being soon into the war. I have criticized the testimony of Admiral Taussig before a Senate committee where, adopting the Japanese system of naval officers attempting to assume control of the foreign relations of their country, he predicted the inevitability of war with Japan. I have criticized from time to time the propaganda efforts of numerous columnists who have bent their very best endeavors to inflame popular sentiment in this country with the idea that we must inevitably be drawn into wars abroad. But, Mr. President, it was with some

chagrin and surprise that I recently discovered that that great institution, established and supported by the American people for the alleviation of human suffering, an institution which has accomplished so much good, the American Red Cross, has been transformed into a recruiting agency for an undeclared war.

Mr. President, it was with surprise, it was with shock, that I read the recent release of the American Red Cross:

Attention—Statisticians.

Attached is an announcement giving the details of a plan inaugurated by the Red Cross for the enrollment of statistical clerks for possible service with the military forces in the event of a national emergency. In addition to certain general qualifications, there is also given in the attached statement the special qualifications required by the Army and Navy for statistical clerks.

With the cooperation of the American Statistical Association we are forwarding this announcement to you with the request that you pass the information along to statistical clerks in your employ or under your supervision or among your acquaintances who might be interested in this enrollment and who can meet the prescribed qualifications. We will very much appreciate your cooperation in connection with this project.

Then follows:

Announcement—statistical clerks.

Let me say that yesterday afternoon I was waited upon by the publicity director of the American Red Cross who told me they had been informed that I proposed to bring this matter to the attention of the Senate and who undertook to lead me to believe that this enrollment was simply of possible nurses and clerks for the use of the Red Cross itself.

I proceed, Mr. President, to read certain portions of the release which conclusively disprove that contention and as certainly and conclusively show in the language of the American Red Cross itself that the purpose is enrollment for military service in the Army and Navy of the United States in a possible war, which has certainly not been declared, and which I hope and believe is not imminent.

Announcement—Statistical clerks.

At the request of the Surgeon General of the Army, and as an expansion of its peacetime service for the military forces, the American Red Cross has undertaken the enrollment of medical technologists—

Medical technologists—

who are willing to serve in the medical department of the Army or Navy if and when their services are required in a national emergency. Included in this enrollment will be statistical clerks, men and women, who can meet certain technical and physical standards.

With the cooperation of the various registries and associations of medical technologists, all members are being asked to enroll with the Red Cross for this possible service with the military forces. If and when the services of those enrolled with the Red Cross are required, statistical clerks who qualify may be utilized by the Army or Navy according to the following plan:

For the Army—

Men who meet the required standards will be enlisted and as soon as practicable thereafter will be appointed sergeants. Men who enroll and pass the necessary physical examination but who may later be found physically unqualified for military duty if and when their services are required by the Army may be employed as civilians.

Women who meet the required standards may be employed as civilians.

For the Navy—

1. Men only. If and when the services of statistical clerks are desired by the Navy, they will be enlisted in the Naval Reserve as pharmacists' mates, first, second, or third class, or chief pharmacist's mate (acting appointment), to be determined by the district commandant on the basis of the individual's qualifications—

And so forth. I ask unanimous consent at this point that the entire release of the American Red Cross be included in the RECORD as a part of my remarks.

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

The release, entire, is as follows:

AMERICAN RED CROSS,
NATIONAL HEADQUARTERS,
Washington, D. C.

ATTENTION—STATISTICIANS

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With the cooperation of the American Statistical Association we are forwarding this announcement to you with the request that you pass the information along to statistical clerks in your employ or under your supervision or among your acquaintances who might be interested in this enrollment and who can meet the prescribed qualifications. We will very much appreciate your cooperation in connection with this project.

ANNOUNCEMENT—STATISTICAL CLERKS

At the request of the Surgeon General of the Army, and as an expansion of its peacetime service for the military forces, the American Red Cross has undertaken the enrollment of medical technologists who are willing to serve in the Medical Department of the Army or Navy if and when their services are required in a national emergency. Included in this enrollment will be statistical clerks, men and women, who can meet certain technical and physical standards.

With the cooperation of the various registries and associations of medical technologists all members are being asked to enroll with the Red Cross for this possible service with the military forces. If and when the services of those enrolled with the Red Cross are required, statistical clerks who qualify may be utilized by the Army or Navy according to the following plan:

For the Army

Men who meet the required standards will be enlisted and as soon as practicable thereafter will be appointed sergeants. Men who enroll and pass the necessary physical examination but who may later be found physically unqualified for military duty if and when their services are required by the Army, may be employed as civilians.

Women who meet the required standards may be employed as civilians.

For the Navy

1. Men only. If and when the services of statistical clerks are desired by the Navy, they will be enlisted in the Naval Reserve as pharmacist's mates first, second, or third class, or chief pharmacist's mate (acting appointment) to be determined by the district commandant on the basis of the individual's qualifications.

2. Notwithstanding the maintenance of this enrollment for a possible national emergency, the Navy also desires peacetime enlistment in the United States Naval Reserve; and male statistical clerks who wish to enlist therein should communicate directly with the commandant of the naval district in which they reside. The address of their commandant will be furnished by the Red Cross upon request.

STATISTICAL CLERKS

Requirements for registration:

1. Men or unmarried women.

2. Graduated from high school or recognized school of business accounting.

3. Two years' successful experience in statistical clerical work, not less than 1 year of which must have been in the performance of somewhat difficult or responsible work requiring a knowledge of statistical methods, practice, and procedure, and involving the use of labor-saving devices, such as adding, computing, and tabulating machines and slide rules.

4. Favorable recommendation by the director of the office in which last employed.

Army

Men, who qualify physically, military grade 4, sergeant.

Women, who qualify physically, civilian employee, $1,440 a year, less deduction of $480 for quarters and rations.

Navy

Men only, who qualify physically, as pharmacist's mates, first, second, or third class, or chief pharmacist's mate (acting appointment) in the Naval Reserve, to be determined by the district commandant.

General qualifications for enrollment are as follows:

1. Citizens of the United States.

2. Ages, 21–45 years (Army); 18–35 (Navy).

3. Physically qualified. Applicants must pass a satisfactory physical examination before enrollment. It should be understood that all applicants who are accepted for enrollment will be required to pass another physical examination given by the Army or Navy at the time their services are utilized.

4. Women applicants must be unmarried.

5. Each applicant must express a willingness to serve as a technologist in the event of a national emergency.

Special and technical requirements for statistical clerks are given in the attached statement.

If you meet the necessary qualifications as stated herein and are interested in the medical phases of military service will you indicate your desire to enroll by filling out and mailing the enclosed postcard or by writing to national headquarters, American Red Cross, Washington, D. C., for the necessary forms.

Mr. CLARK of Missouri. I also ask unanimous consent to include at this point an article appearing in the New York Post of Wednesday, May 1, 1940, by Frank Ryhlick, on the same subject.

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

The article referred to is as follows:

[From the New York Post of May 1, 1940]

RED CROSS COMPLETES ITS M DAY PLANS—RECRUITING MALE NURSES FOR FIRST TIME IN ITS HISTORY

(By Frank Ryhlick)

WASHINGTON, May 1.—The American Red Cross has completed M day plans that will enable it to act at once in event of a national emergency growing out of the war.

For the first time in its history the organization is recruiting male nurses, who the Army believes would be more suitable than women in great emergencies.

By no means are the women being displaced. The Red Cross is maintaining and enlarging a reserve of at least 40,000 female nurses, including 15,000 unmarried women who instantly would be transferred to the Army Nursing Corps if this country entered the war.

Red Cross preparedness plans envision no difficulty over raising money. Already available is an emergency fund of $4,000,000 which would be used for immediate expenses. Officials are sure that as much as $100,000,000 could be raised quickly through a high-pressure drive.

The Red Cross also is recruiting 13 types of medical technologists, including dental hygienists, dietitians, and X-ray technicians. In a national crisis, the male technologists would be automatically eligible for enlistment in the Army and Naval Reserve. Women would be eligible to become Army civilian employees.

CALL FOR STATISTICIANS

An example of Red Cross recruiting technique is a statement calling for enrollment of statisticians. Sent out from the national office here, the statement advised concerns employing statisticians:

"Attached is an announcement giving the details of a plan inaugurated by the Red Cross for the enrollment of statistical clerks for possible service with the military forces in the event of a national emergency. In addition to certain general qualifications, there is also given in the attached statement the special qualifications required by the Army and Navy for statistical clerks.

"With the cooperation of the American Statistical Association, we are forwarding this announcement to you with the request that you pass the information along to statistical clerks in your employ or under your supervision or among your acquaintances who might be interested in this enrollment and who can meet the prescribed qualifications."

REQUESTED BY THE ARMY

The announcement said the recruiting campaign was started at the request of the Surgeon General of the Army. One important qualification, it pointed out, was that "each applicant must express a willingness to serve as a technologist in the event of a national emergency."

"With the cooperation of the various registries and associations of medical technologists," the announcement concluded, "all members are being asked to enroll with the Red Cross for this possible service with the military forces."

The recruiting drive is being carried on through virtually all private associations and societies of technologists. It is the biggest campaign of its kind ever launched by the Red Cross.

The complete Red Cross preparedness plans have not yet been disclosed to its 3,700 chapters and 7,000,000 members, but a statement probably will be made at the organization's national convention in Washington next Monday to Wednesday.

Mr. CLARK of Missouri. Now, Mr. President, it was suggested to me by the representatives of the Red Cross yesterday that, inasmuch as the Congress has seen fit to increase the Military Establishment of this country, and authorize an increase in the Navy, the Red Cross was simply rendering a public service in enrolling technicians for use in the Army and Navy in the event we should have a war. Well, Mr. President, it has been my observation and experience—and I myself was once in the Army for a short time—that whenever Congress has granted authority for an increase in the Army or the Navy those services have abundant means within their own control for filling all vacancies in any branch in either the Army or Navy of the United States. They have never had any difficulty about that, and I do not believe there ever will be any difficulty about it.

To say that the enrollments mentioned in the release and the other releases which I will insert in the RECORD have to do with medical services is to beg the question, because anyone who knows anything about the Army or Navy knows that the medical services of the Army and Navy are as much a part of the military arm as is the infantry or are the sailors or marines. There can only be one purpose to be accomplished by the release, and that is to inflame the mind of the American people as to the inevitability of our engaging in war and the creation of the impression that war is imminent or shortly to be imminent in this country.

That is what I deplore in the statements to which I have referred of the Assistant Secretary of War; that is what I deplore in the statement of Admiral Taussig; that is what I deplore in some of the independent efforts of propagandist columnists and other newspapermen to drag the United States into war. I think that such statements and activities are to be deplored. But for that great institution set up and supported and set apart for so many years by the people of the United States as an institution entirely for the purpose of alleviating human suffering, with such a magnificent record as it has established, to be engaged in enrolling or recruiting for the armed services of the United States in a war which has not been declared, and which I hope and believe is not imminent, I think is a prostitution of the purposes for which the American Red Cross was established.

The American people have revered, the people of the world have revered, the American Red Cross for its services, for the services which it has rendered in time of national disaster, in time of flood, fire, earthquake, or other calamities either in the United States or abroad. The American people have cheerfully contributed to the support of that great institution. Even, Mr. President, when we were engaged in war I respected the efforts of the American Red Cross, although I think I speak the feeling of nearly every man who served in combat division in France when I say that, considering the resources at its command, the efforts of the American Red Cross in the last war were very far inferior to the efforts of certain other organizations with much more meager resources, such as the Salvation Army and the Knights of Columbus. Nevertheless, I do respect the efforts for the alleviation of human suffering put forth by the Red Cross at that time. But this effort, this present project, Mr. President, simply amounts to taking an institution that has had the respect and veneration of the American people and putting it on a different plane. No one has ever seriously questioned the sobriquet adopted by the Red Cross itself for the Red Cross; it is, "The greatest mother of all." We have all agreed to that; we have all assisted by the use of that appellation in enlisting support for the American Red Cross; and it seems to me that such a project as this, such a release as this is simply to take "the greatest mother of all," put a pair of khaki pants on her, a pair of boots and spurs, give her a gun and sword and use her as a recruiting officer in an undeclared war, to which an overwhelming majority of the American people are opposed unless they can be beguiled by such efforts as this. I do not believe that the American people will receive that news without a sense of chagrin and shock.

Mr. CLARK of Missouri subsequently said: Mr. President, in connection with some remarks which I made a short time ago on the subject of the American Red Cross, I obtained leave of the Senate to include in the RECORD a certain release by the American Red Cross. I ask unanimous consent to have printed, immediately following my previous remarks, two other short releases by the American Red Cross, together with a letter addressed by the vice chairman in charge of domestic operations of the American Red Cross to all chapter chairmen.

The VICE PRESIDENT. Is there objection?

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

ADDRESS BY WILLIAM DEKLEINE, MEDICAL ADVISER, AMERICAN RED CROSS, BEFORE THE TUESDAY, MAY 7, SESSION OF THE ANNUAL RED CROSS CONVENTION IN MEMORIAL CONTINENTAL HALL

Medical technologists are occupying an increasingly important place in medical and dental practice. They provide the technical laboratory skills and other supplementary services necessary for the diagnosis and treatment of disease. They are indispensable aids to physicians and dentists in military as well as civilian practice. Organized medicine cannot render its most effective service without the assistance of these groups.

At the request of the Surgeon General of the Army, the American Red Cross has undertaken to enroll several groups of technicians for possible service with the military forces. This enrollment is similar in purpose to that of the nursing reserve, namely, preparedness for a national emergency. It has no immediate war

implication, but is a necessary step in developing general preparedness measures for the Nation. In compliance with our traditional policy of cooperation with the Army and Navy, the Red Cross has agreed to enroll the following technical groups:

Chemical laboratory technicians (male).
Dental hygienists (male and female).
Dental mechanics (male).
Dietitians (male and female).
Laboratory technicians (male and female).
Meat and dairy hygienists (inspectors) (male).
Nurses (male).
Occupational therapy aides (male and female).
Orthopedic mechanics (male).
Pharmacists (male and female).
Physical therapy technicians (aides) (male and female).
Statistical clerks (male and female).
X-ray technicians (male and female).

The general requirements for enrollment as prescribed by the military are:

1. Citizens of the United States.
2. Men and women between the ages of 21 to 45 years for the Army, and men only, 18 to 35 years, for the Navy.
3. Physically qualified. All applicants must submit a report of physical examination with the application for enrollment. Male applicants must meet the physical standards required for enlistment in the Army or Navy, depending in which branch of the military forces they are to serve, and female applicants must meet those required for appointment in the Army Nurse Corps.
4. All female applicants must be unmarried.
5. Each applicant must express a willingness to serve as a technologist in time of national emergency.

In addition to the foregoing, special requirements are prescribed for each group. These relate principally to educational background and experience in the respective specialties. Those who qualify according to these standards may enroll with the Red Cross for possible service in the medical departments of the Army and Navy. Enrollment with the Red Cross is not absolutely binding. Applicants can withdraw later if they are not able to serve. It does, however, imply that the enrollees are willing to serve if called upon.

Male technologists will be eligible for enlistment in the Army as noncommissioned officers in one of the following grades: Technical sergeant, staff sergeant, or sergeant. Single women are eligible for appointment in the Army only as civilians. Married women are not eligible.

The Army wants both men and women technologists; although not in all the groups mentioned. For instance, they want only women dental hygienists and physical therapy technicians.

Male technologists are eligible for enlistment in the Naval Reserve as petty officers in one of the following grades: Pharmacist's mate, first, second, and third class; and chief pharmacist's mate (acting appointment). The Navy is prepared now to enlist male technologists without previous enrollment with the Red Cross. Applicants may apply directly to the naval commandant of the district in which they reside. The address of the commandant will be furnished upon request.

The Navy does not want women technologists. Neither does it require dietitians, occupational therapy aides, orthopedic mechanics, nor meat and dairy hygienists (inspectors).

Enrollment of these technical groups is now in progress at national headquarters under the immediate direction of Mr. Harold Atkinson. Applicants who are willing to enroll and who qualify according to the standards herein set forth should apply to the Washington office. It is hoped that chapters will encourage technicians whom they contact to make application. We are anxious to enroll a sufficient number so that we can fill the needs of the military forces if and when an emergency arises. Enlistment with the medical departments of the Army and Navy will give technicians an opportunity to serve the Nation in the capacity in which they are best fitted.

Men nurses will be enrolled by the nursing service and not by the above-mentioned unit.

RED CROSS TO ENROLL MEDICAL TECHNOLOGISTS FOR MILITARY RESERVE

WASHINGTON, D. C., February 20.—Chairman Norman H. Davis, of the American Red Cross, announced today that at the request of the Surgeon General of the Army and in compliance with its policy of cooperation with both the Army and Navy, the Red Cross, as an expansion of its peacetime service for the military forces, has undertaken the enrollment of various types of medical technologists who are willing to serve in the medical departments of the Army and Navy if and when their services are required at the time of a national emergency.

The plan has been under consideration for almost a year, Chairman Davis said, and has no relation to the present war situation in Europe.

The enrollment now being inaugurated will be similar to that of the nurses' reserve which the Red Cross has maintained for the Army and Navy since 1911, and which is now being expanded to include properly qualified male nurses, and also the reserve of dietitians which has been maintained since 1917.

Persons with the following qualifications will be included:

Chemical laboratory technicians (male).
Dental hygienists (male and female).
Dental mechanics (male).
Dietitians (male and female).
Laboratory technicians (male and female).
Meat and dairy hygienists (inspectors) (male).
Nurses (male). (This group will not be members of the Army or Navy Nurse Corps which under basic law is limited to females, but will be used as technologists for service auxiliary thereto.)
Occupational therapy aides (male and female).
Orthopedic mechanics (male).
Pharmacists (male and female).
Physical therapy technicians (aides) (male and female).
Statistical clerks (male and female).
X-ray technicians (male and female).

The Red Cross will work through the various associations and agencies of which these technologists are members giving to them the details of the plan, including requirements prescribed for enrollment.

In the event of national emergency, the enrolled male technologists who meet the required physical standards will be eligible for enlistment in the Army as noncommissioned officers and in the Naval Reserve as petty officers. Women technologists and men who do not qualify physically, will be eligible for employment by the Army as civilians. Women technologists are not eligible for service in the Navy.

The Navy has indicated that notwithstanding the enrollment with the Red Cross of male technologists eligible for enlistment in the Naval Reserve in emergency, it is desired that in peacetime qualified personnel actually enlist in the United States Naval Reserve. The Navy does not require dietitians, occupational therapy aides, orthopedic mechanics, or meat and dairy hygienists (inspectors), but all other technologists who may be interested in enlistment in the Naval Reserve are encouraged to communicate with their naval district commandant from whom they may obtain full information.

Medical technologists belonging to the groups listed above who are interested, are urged to write national headquarters, American Red Cross, Washington, D. C., for full information.

AMERICAN RED CROSS,
NATIONAL HEADQUARTERS,
Washington, D. C., February 21, 1940.

To: All chapter chairmen.
From: The vice chairman in charge of domestic operations.
Subject: Enrollment of medical technologists.

The chairman has announced that at the request of the Surgeon General of the Army and in compliance with its policy of cooperation with both the Army and Navy, the Red Cross, as an expansion of its peacetime service for the military forces, has undertaken the enrollment of various types of medical technologists who are willing to serve in the medical departments of the Army and Navy if and when their services are required at the time of a national emergency.

This plan has been under consideration for almost a year and has no relation to the present war situation in Europe. The enrollment now being inaugurated will be similar to that of the nurses' reserve which the Red Cross has maintained for the Army and Navy since 1911, and which is now being expanded to include properly qualified male nurses, and also the reserve of dietitians which has been maintained since 1917.

Persons with the following qualifications will be included:

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Occupational therapy aides (male and female).
Orthopedic mechanics (male).
Pharmacists (male and female).
Physical therapy technicians (aides) (male and female).
Statistical clerks (male and female).
X-ray technicians (male and female).

Working through the various associations and agencies of which these technologists are members, we will communicate with each individual technologist by letter, setting forth the details of the plan, including certain general and special requirements prescribed for enrollment. In the event of national emergency, the plan provides that male technologists who meet the required physical standards may be enlisted in the Army as noncommissioned officers and in the Naval Reserve as petty officers. Women technologists, and men who do not qualify physically, will be eligible for employment by the Army as civilians. Women technologists are not eligible for service in the Navy.

The Navy has indicated that notwithstanding the enrollment with the Red Cross of medical technologists available for enlistment in the Naval Reserve in emergency, it is desired that in peacetime qualified personnel actually enlist in the United States Naval Reserve. The Navy does not require dietitians, occupational therapy aides, orthopedic mechanics, or meat and dairy hygienists (inspectors), but all other technologists who may be interested in such enlistment in the Naval Reserve should be encouraged to communicate with their naval district commandant from whom they may obtain full information.

Any inquiries received by chapters from medical technologists belonging to the groups listed above should be referred to national headquarters where this enrollment work has been centralized, through the manager of the appropriate area.

Sincerely yours,

JAMES L. FIESER,
Vice Chairman in Charge of Domestic Operations.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. PITTMAN] to the amendment reported by the committee.

Mr. PITTMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Connally	Lee	Schwartz
Ashurst	Danaher	Lodge	Schwellenbach
Austin	Davis	Lucas	Sheppard
Bailey	Downey	Lundeen	Shipstead
Bankhead	Ellender	McCarran	Smith
Barbour	Frazier	McKellar	Stewart
Barkley	Gerry	McNary	Taft
Bilbo	Gillette	Maloney	Thomas, Idaho
Bone	Glass	Mead	Thomas, Okla.
Bridges	Guffey	Miller	Thomas, Utah
Brown	Gurney	Minton	Townsend
Bulow	Hale	Murray	Truman
Burke	Harrison	Norris	Tydings
Byrd	Hatch	Nye	Vandenberg
Byrnes	Hayden	O'Mahoney	Van Nuys
Capper	Holman	Overton	Wagner
Caraway	Hughes	Pittman	Walsh
Chandler	Johnson, Calif.	Radcliffe	Wiley
Chavez	Johnson, Colo.	Reed	
Clark, Idaho	King	Reynolds	
Clark, Mo.	La Follette	Russell	

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present. The question is on the amendment offered by the Senator from Nevada [Mr. PITTMAN] to the amendment reported by the committee.

Mr. PITTMAN and Mr. McNARY called for the yeas and nays, and they were ordered.

Mr. ADAMS. Mr. President, I desire to offer a brief perfecting amendment to the amendment of the Senator from Nevada. His amendment provides that hereafter no silver shall be purchased abroad, or of the production of a foreign country, unless it be agreed and arranged so that the purchase price of such silver shall be applied solely in the purchase and payment for agricultural exports. It seems to me that provision should be broadened and we should include manufacturing and mining products of the United States.

I therefore move, as an amendment, that after the word "agricultural", in line 1, page 2, of the amendment of the Senator from Nevada, there be added the words "manufacturing or mining."

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado to the amendment of the Senator from Nevada will be stated.

The CHIEF CLERK. On page 2, line 1, after the word "agricultural", it is proposed to insert "manufacturing or mining."

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to. The question now is upon agreeing to the amendment offered by the Senator from Nevada, as amended, to the amendment reported by the committee.

Mr. PITTMAN. Mr. President, I did not know that the question had been put on the amendment of the Senator from Colorado to my amendment.

The PRESIDING OFFICER. The Chair said that, without objection, the amendment would be agreed to; and no objection was heard.

Mr. PITTMAN. I ask unanimous consent to reconsider the vote by which the amendment was agreed to.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada to reconsider the vote by which the amendment was agreed to? The Chair hears none.

Mr. PITTMAN. Mr. President, I simply wish to say that I oppose the amendment to my amendment. I do not want to be put in the position of accepting it. If we accept the amendment we shall be back exactly where we now are and always have been, and all of the sales of silver will inure solely to the benefit of manufacturing industry.

I oppose the amendment. I do not ask for a yea-and-nay vote on it, but I desire to have a vote on it.

Mr. BANKHEAD. Mr. President, I should like to have the amendment stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado [Mr. ADAMS] to the amendment of the Senator from Nevada [Mr. PITTMAN] will be stated.

The CHIEF CLERK. On page 2, line 1, of the amendment offered by Mr. PITTMAN, after the word "agricultural", it is proposed to insert the words "manufacturing or mining."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado to the amendment of the Senator from Nevada. [Putting the question.] The Chair is in doubt.

On a division, the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. PITTMAN] to the amendment reported by the committee. On that question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MINTON. I announce that the Senator from Georgia [Mr. GEORGE] is absent from the Senate because of illness.

The Senator from Rhode Island [Mr. GREEN] is unavoidably detained.

The Senator from Arizona [Mr. ASHURST], the Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senator from Ohio [Mr. DONAHEY], the Senator from Iowa [Mr. HERRING], the Senator from Alabama [Mr. HILL], the Senators from West Virginia [Mr. HOLT and Mr. NEELY], the Senator from Illinois [Mr. SLATTERY], and the Senator from Montana [Mr. WHEELER] are necessarily detained. I am not advised how these Senators would vote, if present and voting.

The Senator from Delaware [Mr. HUGHES] is detained in one of the Government departments. I am advised that, if present and voting, he would vote "nay."

The Senator from New Jersey [Mr. SMATHERS] is unavoidably detained. I am advised that, if present and voting, he would vote "yea."

Mr. AUSTIN. I announce the following general pairs:

The Senator from New Hampshire [Mr. TOBEY] with the Senator from Alabama [Mr. HILL];

The Senator from Vermont [Mr. GIBSON] with the Senator from West Virginia [Mr. NEELY]; and

The Senator from Maine [Mr. WHITE] with the Senator from New Jersey [Mr. SMATHERS].

If present, the Senator from New Hampshire [Mr. TOBEY], the Senator from Vermont [Mr. GIBSON], and the Senator from Maine [Mr. WHITE] would vote "nay" on this question.

The result was announced—yeas 30, nays 49, as follows:

YEAS—30

Bankhead	Downey	Murray	Smith
Bilbo	Hayden	Norris	Stewart
Bone	Johnson, Colo.	Overton	Thomas, Idaho
Bulow	Lundeen	Pittman	Thomas, Utah
Capper	McCarran	Reynolds	Truman
Caraway	McKellar	Russell	Wiley
Clark, Idaho	Miller	Sheppard	
Connally	Minton	Shipstead	

NAYS—49

Adams	Danaher	Johnson, Calif.	Schwartz
Austin	Davis	King	Schwellenbach
Bailey	Ellender	La Follette	Taft
Barbour	Frazier	Lee	Thomas, Okla.
Barkley	Gerry	Lodge	Townsend
Bridges	Gillette	Lucas	Tydings
Brown	Glass	McNary	Vandenberg
Burke	Guffey	Maloney	Van Nuys
Byrd	Gurney	Mead	Wagner
Byrnes	Hale	Nye	Walsh
Chandler	Harrison	O'Mahoney	
Chavez	Hatch	Radcliffe	
Clark, Mo.	Holman	Reed	

NOT VOTING—17

Andrews	Green	Neely	Wheeler
Ashurst	Herring	Pepper	White
Donahey	Hill	Slattery	
George	Holt	Smathers	
Gibson	Hughes	Tobey	

So Mr. PITTMAN's amendment to the amendment reported by the committee was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee in the nature of a substitute.

The amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

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

The VICE PRESIDENT. The question now is, Shall the bill pass?

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. AUSTIN. Mr. President, I announce the following pairs on this question and how the respective Senators would vote if they were present:

The Senator from New Hampshire [Mr. TOBEY], who would vote "yea," with the Senator from Alabama [Mr. HILL], who would vote "nay";

The Senator from Vermont [Mr. GIBSON], who would vote "yea," with the Senator from West Virginia [Mr. NEELY], who would vote "nay"; and

The Senator from Maine [Mr. WHITE], who would vote "yea," with the Senator from New Jersey [Mr. SMATHERS], who would vote "nay."

Mr. MINTON. I announce that the Senator from Georgia [Mr. GEORGE] is absent from the Senate because of illness.

The Senator from Rhode Island [Mr. GREEN] is unavoidably detained.

The Senator from Florida [Mr. ANDREWS], the Senator from Ohio [Mr. DONAHEY], the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. SLATTERY], and the Senator from Montana [Mr. WHEELER] are necessarily detained. I am not advised how these Senators would vote if present and voting.

The Senator from Alabama [Mr. HILL], the Senator from West Virginia [Mr. NEELY], the Senator from Florida [Mr. PEPPER], and the Senator from New Jersey [Mr. SMATHERS] are necessarily detained. I am advised that if present and voting, these Senators would vote "nay."

The result was announced—yeas 45, nays 36, as follows:

YEAS—45

Ashurst	Connally	La Follette	Russell
Austin	Danaher	Lodge	Shipstead
Bailey	Davis	Lucas	Taft
Barbour	Frazier	Lundeen	Townsend
Bridges	Gerry	McKellar	Tydings
Brown	Gillette	McNary	Vandenberg
Bulow	Glass	Maloney	Van Nuys
Burke	Gurney	Miller	Walsh
Byrd	Hale	Nye	Wiley
Capper	Holman	Radcliffe	
Clark, Idaho	Hughes	Reed	
Clark, Mo.	Johnson, Calif.	Reynolds	

NAYS—36

Adams	Downey	McCarran	Schwellenbach
Bankhead	Ellender	Mead	Sheppard
Barkley	Guffey	Minton	Smith
Bilbo	Harrison	Murray	Stewart
Bone	Hatch	Norris	Thomas, Idaho
Byrnes	Hayden	O'Mahoney	Thomas, Okla.
Caraway	Johnson, Colo.	Overton	Thomas, Utah
Chandler	King	Pittman	Truman
Chavez	Lee	Schwartz	Wagner

NOT VOTING—15

Andrews	Green	Neely	Tobey
Donahey	Herring	Pepper	Wheeler
George	Hill	Slattery	White
Gibson	Holt	Smathers	

So the bill (S. 785) was passed.

The title was amended so as to read: "A bill relating to the acquisition of foreign silver by the United States."

ARMY PROMOTION SYSTEM

Mr. BARKLEY. Mr. President, the Senator from Texas [Mr. SHEPPARD] is about to move that the Senate proceed to the consideration of the Army promotion bill, and, in the interest of orderly procedure, I suggest that we dispose of his motion. I wish to say for the benefit of Senators that it is not proposed to go on with the bill this afternoon but only to make it the unfinished business, and all Senators will have plenty of opportunity to offer whatever they desire to offer, after that motion shall have been disposed of.

The VICE PRESIDENT. For the information of the Senate, the clerk will state the title of the bill.

The LEGISLATIVE CLERK. Calendar No. 1539, House bill 9243, to provide for the promotion of promotion-list officers of the Army after specified years of service in grade, and for other purposes.

Mr. KING. Mr. President, the Senator from Kentucky has kindly yielded to me. I am taking the floor not for the purpose of opposing the motion which is to be submitted but to give notice to the Senate that on Monday the chairman of the subcommittee of the Committee on the Judiciary having the bill in charge will ask an opportunity to move, if necessary, to take up for consideration the so-called Logan-Walter bill.

Mr. SHEPPARD. Mr. President, I move that the Senate proceed to the consideration of House bill 9243, the Army promotion bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9243) to provide for the promotion of promotion-list officers of the Army after specified years of service in grade, and for other purposes.

Mr. BARKLEY. Mr. President, I wish to state to the Senate and to the Senator from Utah [Mr. KING] in particular that there is no way to tell just what will be before the Senate on Monday. In all probability, if the Special Committee on Government Organization makes a report on the resolution offered by the Senator from Nevada [Mr. MCCARRAN], that resolution may be up for consideration, it being a privileged matter. But in the absence of that I will say to the Senator from Utah publicly what I have said to him privately, that it had been arranged that following the consideration of the Army promotion bill, the La Follette-Thomas civil-liberties bill would be considered by the Senate, and after the consideration of that bill there has been no plan with respect to the consideration of legislation.

I am somewhat surprised that the Senator has served notice on the Senate that on Monday next he will try to have the Logan-Walter bill considered.

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

Mr. BARKLEY. I yield.

Mr. KING. I gave the notice, of course, with a reservation with respect to the so-called reorganization resolution. I assumed that would have precedence. I feel sure an adjustment can be made between the Senator and my colleagues and myself with respect to the Logan-Walter bill. I wanted to emphasize the fact that it is not to be shelved, but that we shall insist upon its consideration at a very early date.

Mr. MCKELLAR. I will say to the Senator from Kentucky and to other Senators that I understand the District of Columbia appropriation bill will be before the Senate Monday. I hope that bill may be then considered. The Senator from Louisiana [Mr. OVERTON] is in charge of the bill. He can say whether or not he intends to move the consideration of that bill.

Mr. OVERTON. Mr. President, on Monday I expect to ask unanimous consent to take up the District of Columbia appropriation bill. I think we can dispose of it in a very short time, perhaps in half an hour or less time than that.

CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY BOARD

Mr. MCCARRAN. Mr. President, in order to show that the country at large is very much awakened to the conditions prevailing with reference to the proposed transfer of the Civil Aeronautics Authority under Reorganization Plan No. IV, I desire to have inserted in the body of the RECORD an editorial published in the New York Times of May 9, 1940, under the caption "An Independent C. A. A."; also an editorial

published in the New York Herald Tribune of May 9, 1940, under the caption "The C. A. A. Wins the First Round"; also an editorial published in the Washington Post of May 9, 1940, under the caption "Time to Withdraw It"; also an editorial published in the Washington Times-Herald of May 9, 1940, under the caption "Play It Safe, Senators"; and also an editorial published in the San Francisco Chronicle of May 6, 1940, under the caption "No Political Meddling With Air Industry." I further ask to have inserted in the body of the RECORD an editorial published in the Washington Star of May 9, 1940, under the caption "C. A. A. Plan Rejected."

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

[From the New York Times of May 9, 1940]

AN INDEPENDENT C. A. A.

By a substantial majority yesterday the House of Representatives voted its disapproval of the President's reorganization plan proposing to change the set-up of the Civil Aeronautics Authority and to abolish the Air Safety Board. If the Senate concurs in this action before June 11, the plan will be annulled.

Two things are of paramount importance in the regulation and control of civil aviation: (1) A Civil Aeronautics Authority—call it by whatever name—which will be in full control of its own budget, subject only to the general supervision and restraint of the Bureau of the Budget and of Congress, as is the case with a number of other independent agencies. (2) An Air Safety Board—however designated—which shall be in fact an independent body, whose functions are to investigate all accidents and make such specific recommendations as to discipline and as to future safeguards as may be indicated, even if these involve the regulations and the administrative operation of the airway aides and services set up by the Authority itself. As one commentator has put it aptly, the Board should be a "perpetual hair shirt" on the Authority.

So far as the public knows, the present arrangement under which the Authority and the Board operate has met both these requirements. The C. A. A. has received the enthusiastic support of all the organized elements of commercial aviation—the air lines, their pilots and mechanics, and the underwriters whose business it is to provide air-travel insurance. Seldom has a regulatory body found such a host of friends among the very persons and interests that it was charged with regulating. This evidence is the more impressive because of the safety record which has been concurrent with it.

The public has not forgotten the unhappy experience of the administration when, in 1934, it canceled the air-mail contracts out of hand and set the Army to a task for which it was not prepared, the flying of the mail, at a cost of 12 pilot lives. Years of effort were required in the rebuilding of our civil air structure. They finally bore fruit in the Air Commerce Act of 1938, creating the C. A. A. and the Air Safety Board. Confidence in the soundness of that legislation has grown steadily and ought not be disturbed.

[From the New York Herald Tribune of May 9, 1940]

THE C. A. A. WINS THE FIRST ROUND

In the battle on reorganization, involving the transfer of the Civil Aeronautics Authority to the Department of Commerce, the President has lost the first round. The vote against him in the House of Representatives was decisive, 232 to 153. It was all the more impressive in that the President had been reported to have "turned on the heat" in behalf of this change more vigorously than he has done in any fight since the Supreme Court packing plan of 3 years ago. In view of the strong-arm methods used by his supporters, including resort to what amounts to a deceptive trick vote in the House committee, which, in retrospect, does little credit to the chairman of that committee, it is surprising that the results were so unfavorable to him.

Under the terms of the Reorganization Act the resolution of the House now goes to the Senate for concurrent action. It has to be voted upon before June 11 or it fails to block the reorganization plan. The obvious strategy, therefore, will be to resort to every parliamentary trick to block a vote in that body. Debate on the resolution is limited to 10 hours, but skillful parliamentarians working for the President may find some technical ground on which consideration can be postponed. Certainly the action in that body will be a test of the President's hold over Congress. The Senate is so overwhelmingly Democratic, and the number of these Democrats who are thinking in terms of reelection is so large that it would not be surprising to find that here he can win his fight.

From the national point of view, apart from the fact that the proposed change is undesirable and against the public interest and safety, what is particularly notable is this fresh evidence of the temperamental stubbornness of Mr. Roosevelt's present rule. The evidence is now overwhelming that he acted impulsively, on bad advice, when he first included the transfer in his reorganization order. The intensity of his resentment against his critics has been so great that it suggests clearly that he is more impelled by his determination to have his own way than by any willingness to reexamine the question on its merits. It suggests again the unwisdom of that portion of the Reorganization Act which places in the President's hands so much power, virtually unchecked, to transfer governmental agencies without providing some manner of having a public hearing. Certainly the indications that this particular transfer was ordered without even notifying the Secretary of Commerce in advance suggests that this act of the Executive was an utterly arbitrary exercise of egocentric power.

It is unfortunate that the President made a political and personal issue of this particular transfer of functions. The questions involved are too important to be regarded in a purely partisan spirit, as is apparent from the large number of Democrats who voted in the House to reject the President's order. They should be regarded exclusively on their merits. The important thing is not to administer a rebuke to a stubborn and impetuous President but to prevent the effecting of a transfer which is against the public interest.

[From the Washington Post of May 9, 1940]

TIME TO WITHDRAW IT

The House vote to overturn President Roosevelt's fourth reorganization order is the more impressive because of the little opposition which had been raised against previous shifts in the executive department. Obviously a majority of the House membership believes that an important principle is at stake at this time.

Outstanding in the debate was an attack upon the personnel of the Air Safety Board which will be abolished if the President's order is permitted to go into effect. That fact suggests the weakness of the case for the President's order. The question of personnel has little bearing upon the proposed reorganization which the House has voted against. To abolish an agency because of a dispute among its members is equivalent to burning a house to get rid of fighting cats.

The question before the House was whether the independent Civil Aeronautics Authority should be transferred to the Department of Commerce and the functions of the Air Safety Board to the C. A. A. That is a basic problem in governmental organization. There is much to be said for the separation of administrative duties from quasi-judicial functions. But the shift of the C. A. A. does not appear to follow any general principle on this point. Moreover it ignores two practical considerations.

First of these is the fact that the air transport lines had a disgraceful accident record under the old Bureau of Air Commerce. Under the independent C. A. A. a truly remarkable improvement has been made. Certainly that fact, which is of tremendous importance to the traveling public as well as to the aviation industry, should not have been ignored in attempting to shift this regulatory agency back into the Department of Commerce.

The second consideration is that one agency cannot properly fix the rules and regulations for air-transport service and at the same time investigate accidents occurring under those rules. That one defect in the set-up proposed by the President justifies its defeat.

No doubt the reorganization order will also encounter strong opposition in the Senate. The President might save his administration from a good deal of embarrassment by withdrawing this plan and issuing a new order leaving the C. A. A. intact.

[From the Washington Times-Herald of May 9, 1940]

PLAY IT SAFE, SENATORS

The House yesterday rejected President Roosevelt's plan of departmental reorganization involving a blitzkrieg of the Civil Aviation Authority.

The C. A. A. is doing an excellent job. It gives every prospect of continuing to do so. The plan of change would have been nothing but a reversion to a bureau of the sort that the C. A. A. supplanted because that bureau was a deadly failure and a political football.

It is now up to the Senate to stick by the C. A. A. as the House has. Play this aviation issue safe, Senators. You helped create the C. A. A. It has justified you. Now stand by your own creation and vote down this reorganization project that would ruin a good thing.

[From the San Francisco Chronicle of May 6, 1940]

NO POLITICAL MEDDLING WITH AIR INDUSTRY

The country has not forgotten how disastrous to American aviation was the political control under which it suffered until Congress set up the Civil Aeronautics Authority as an independent and nonpolitical agency.

Those were the times when the air lines were bossed by the Post Office Department and the plane-building industry by the Commerce Department. Those were the hard times for domestic aviation. That was the time when Postmaster General Farley smashed the air lines.

That was also the time when Senator Bronson Cutting, of New Mexico, and four companions were killed in a plane crash in Missouri. Cutting's death produced the scandal that caused Congress to take aviation away from the Post Office and Commerce. The resulting inquiry developed the fact that the Commerce Department, instead of trying to find the causes of the accident, was busy only with trying to whitewash its own organization. The Commerce Department was concerned only with the political effect of an accident that had killed so conspicuous a figure as Senator Cutting.

Establishment of the C. A. A. and the Air Safety Board followed. They have had only a short life, but the results have been outstanding. Their personnel is nonpolitical and high grade. They

have worked intelligently with the industry. The present remarkable safety record of American commercial aviation must be credited in no small degree to the efficiency of the C. A. A. and the Air Safety Board.

Certainly the country does not wish to see domestic aviation returned to the control of the Commerce Department to be again tormented and hampered by political pull and haul. Yet that is the meaning of the reorganization proposal to abolish the Air Safety Board and demote the C. A. A. to the position of a bureau of the Department of Commerce. The President was badly advised on this proposal. Congress should turn it down.

[From the Washington Evening Star of May 9, 1940]

C. A. A. PLAN REJECTED

The House deserves congratulation for its emphatic protest against President Roosevelt's plan to place the Civil Aeronautics Authority under the supervision of the Commerce Department and to abolish the Air Safety Board. A resolution of rejection, adopted by a margin of 79 votes, now goes to the Senate, where the storm of disapproval broke when the transfer was proposed early in April as part of the President's Reorganization Plan IV.

In the month that the issue has been under debate, both in Congress and out, administration supporters have failed to offer a single convincing argument for the change. Representative LEA, Democrat, of California, put the case well:

"I am satisfied that the reasons asserted for the change are theoretical, inconsequential, and ignore the important problems with which aviation deals."

The creation of the C. A. A. as an independent agency was deemed necessary because of the unsatisfactory conditions surrounding the control over commercial aviation which formerly was exercised by the Commerce Department, and there has been no evidence that a mistake was made when this step was taken. There has been some effort to demonstrate that the independence of the Authority would not be lessened under the proposed transfer, but it is too much of a strain on credulity to suppose that a governmental function can be fitted into the machinery of any agency without becoming involved in the administrative policies of the establishment.

Under the law, Plan IV, which was submitted by the President on April 11, will become law unless rejected by both Houses of Congress within 60 days. The Star hopes that the Senate, which has been waiting on House action in the matter, will lose no time now in administering the coup de grâce to this ill-advised proposal.

EXEMPTION OF CERTAIN INDIANS FROM WHEELER-HOWARD ACT

Mr. O'MAHONEY. Mr. President, I desire to have the attention of the Senator from Texas [Mr. SHEPPARD], as well as that of the Senator from Kentucky [Mr. BARKLEY], and the Senator from Oregon [Mr. MCNARY]. On several occasions I have advised the Senate that the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Dakota [Mr. FRAZIER], and the Senator from South Dakota [Mr. GURNEY] are anxious to dispose of a motion to reconsider the vote by which Senate bill 2103 was passed. I made that motion on February 22. I now desire to ask unanimous consent that the pending business may be temporarily laid aside in order that this matter may be disposed of.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wyoming?

Mr. BARKLEY. Mr. President, reserving the right to object, which I do not intend to do, I think the Senator is well within his rights and within the proprieties in making this request, because the motion has been pending for several months and really ought to be disposed of. I hope his request will be granted.

Mr. MCNARY. Mr. President, I shall object if it leads to prolonged debate. Has the Senator any notion about that?

Mr. O'MAHONEY. Mr. President, I have no way of determining how long it will take to dispose of it. For myself, I shall make only a brief statement.

Mr. MCNARY. I should prefer to have the Senate meet tomorrow rather than remain longer in session today; but I do not want to interfere with the Senator's request if I am given reasonable assurance that it will not lead to a prolonged discussion.

Mr. O'MAHONEY. Mr. President, I myself desire to dispose of it this afternoon if it can be done, because it is my intention to leave the city tonight, to be gone for 2 or 3 days. So I would not want it to go over until tomorrow or Monday.

Mr. KING. Mr. President, will the Senator yield for a brief word?

Mr. O'MAHONEY. I yield.

Mr. KING. What is the object of the measure?

Mr. O'MAHONEY. The bill was introduced by the senior Senator from North Dakota [Mr. FRAZIER] to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934, as amended. That act, of course, is the Wheeler-Howard Act.

Mr. KING. Does it have the approval of the Commissioner of Indian Affairs under the Secretary of the Interior?

Mr. O'MAHONEY. The bill does not have the approval of the Commissioner of Indian Affairs. In fact the Commissioner is very actively opposed to the bill.

Mr. KING. Does it have the approval of the Secretary of the Interior.

Mr. O'MAHONEY. The bill does not have the approval of the Secretary of the Interior. The Department of the Interior is opposed to the bill.

Mr. MCNARY. Mr. President, I shall withhold my objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wyoming? The Chair hears no objection. Without objection, the motion to reconsider——

Mr. O'MAHONEY. Mr. President, I wish to make a brief statement.

The VICE PRESIDENT. The Chair was just about to say that the motion had been agreed to. If the Senator wishes to make a speech before that announcement is made he may continue. [Laughter.]

Mr. O'MAHONEY. Mr. President, no one recognizes more clearly than I do the facility with which the Vice President passes motions through this body, but, having knowledge of the purpose of the Senator from New Mexico and the Senator from North Dakota, as well as the Senator from South Dakota, I feel confident that the Vice President would not have succeeded on this occasion.

Mr. President, the bill undertakes to repeal the provisions of the Wheeler-Howard Act, which is the so-called Indian Reorganization Act, with respect to certain tribes. The effect of the bill is set forth in this language, which is contained in it:

"None of the provisions of this act shall apply to (1) any Indian tribe on the Standing Rock Reservation located in the States of North and South Dakota; (2) the Pine Ridge Sioux Tribe of Indians of the State of South Dakota; (3) the Cheyenne River Sioux Tribe of Indians of the State of South Dakota; (4) the Yankton Sioux Tribe of Indians, of the Rosebud Agency of the State of South Dakota; (5) any Indian on any reservation or any Indian tribe or group, located in the State of Nevada; (6) the Eastern Band of Cherokee Indians located in the State of North Carolina; (7) any Indian tribe, band, or group, located in the State of California; (8) any Indian or Indian tribe on the Colorado River Indian Reservation of the State of Arizona; or (9) the Navajo tribe located in the State of New Mexico."

Mr. President, this bill was before the Committee on Indian Affairs. Extensive hearings were held from time to time, but the hearings were not printed, and had not been printed at the time the bill was reported from the committee. I am advised by the Commissioner of Indian Affairs that the Indian tribes most intimately affected by the bill have not had an opportunity to be heard. I am told that all the testimony which has been presented to the Committee on Indian Affairs has been upon one side of the controversy. As I have said, when the bill was reported to the Senate, the hearings were not even in galley proof.

On January 20, 1940, the Commissioner of Indian Affairs addressed to the chairman of the Committee on Indian Affairs a letter which I ask to have printed in full in the RECORD at this point as a part of my remarks.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the letter will be printed in the RECORD.

The letter is as follows:

JANUARY 20, 1940.

Hon. ELMER THOMAS,
Chairman, Committee on Indian Affairs, United States Senate.

MY DEAR MR. CHAIRMAN: This is to comment further on S. 2103, a bill to repeal the Indian Reorganization Act (act of June 18, 1934, 48 Stat. 984), as recommended for amendment by the Senate Committee on Indian Affairs. The Department reported on this bill on June 22, 1939, and I urge a full and careful reading of that report and the memorandum of information attached to it. These

remarks will pertain more directly to the several tribes to whom Senate Report No. 1047 would restrict this repeal action.

First of all, the Navajo Tribe is not under the Indian Reorganization Act; hence, the proposal in S. 2103 to exclude the Navajo Tribe from that act, or to repeal the act in that tribe's behalf, is without meaning. The Navajo Indians, like all other Indian tribes, voted in a tribal election on the question of accepting or rejecting this act. The vote was very close. Out of a total voting population of 15,900 (a very close estimate), 98 percent of the electorate participated. The vote for the act totaled 7,608, the vote against it, 7,992. Less than 200 votes decided the issue. This vote was final so far as the law now reads. The Navajo Indians could not take advantage of the Reorganization Act unless Congress should pass a special act permitting them to vote a second time, and the tribe then, with such authority should vote to accept. No such bill is pending or proposed.

Certain of the tribes enumerated in this report of the Senate committee did, by positive action, accept the Indian Reorganization Act, but have not yet taken any of the further steps which the act authorizes. That is, they have adopted no organization documents and have established no tribal enterprises which might result from organization. In this category are Standing Rock, Yankton, Eastern Cherokee, and some 45 small groups in California. Neither the act, nor Indian Service policy, requires that tribes accepting the act shall proceed on any program, or take any action as a result of coming under the act. Their acceptance was an act of discretion, and their subsequent actions are equally matters of discretion. I call your attention, however, to the fact that important benefits accrue to these tribes whether or not they take additional steps following their favorable vote. In the case of Standing Rock, for example, which is under the act but which has not organized, we have purchased 3,286 acres for landless Indians at a cost of $22,905. At Yankton, we have purchased 1,820 acres at a cost of $60,088. Also, in California, two groups, Pitt River and Santa Rosa, have profited by land purchase. Tribal credit is not available until a group has organized and become incorporated. But the young people of such tribes benefit in the way of educational loans for advanced vocational and academic training; also under section 12 of the act, the Indians of these tribes obtain preference in employment in the Indian Service, an advantage of great importance to them.

In view of the fact that the tribes in the category discussed above are not required to take any action, that their rights as Indians and as citizens are in no wise affected by reason of their acceptance of the Indian Reorganization Act, and that certain positive benefits accrue to them whether or not they take the trouble to organize under the act, I can think of no reason why the act should be repealed on their behalf, and certainly such repeal would deny them important benefits now available.

The remaining tribes named in Senate Report No. 1047 are actively functioning under the Indian Reorganization Act. They have adopted constitutions, and in some cases have ratified charters of incorporation. The Indians of Nevada, in particular, stand to lose heavily by the proposed repeal. At the present time nine tribes or bands of Nevada Indians are organized and incorporated. Without exception these Indians were wholly destitute, most of them completely landless, up to 1934. During these past few years, under the authorities of the Reorganization Act, we have purchased a total of 25,816 acres of land, agricultural and grazing, at a cost of approximately $398,000. Such groups as Fort McDermitt, Yerington, Yomba (Reese River), and Dresslerville have made really remarkable progress during these few years. To cut off the help which we are now giving them would mean, quite literally, a sentence of death for most of them. I cannot believe that the Congress of the United States would want to take upon itself the passing of such a sentence on several thousand helpless Indians.

I am attaching several documents in which the Indian tribes affected by the proposed repeal protest vigorously against such action. These include a resolution adopted by the Colorado River tribal council, dated November 4, 1939, and one adopted by a Nevada group. Also, I am appending a petition from the Indians of Fallon, Nev., asking support for their pending bill to admit them to the benefits of the Indian Reorganization Act. An additional document is a letter of protest from the secretary of the tribal council of the Colorado River Reservation against the proposed repeal.

Attached also is a letter signed by the officers of a number of Nevada Indian bands petitioning for a continuation of Reorganization Act benefits and pointing out the remarkable effect of the benefits they have already received under the provisions of the act. From these documents it is clear that the Nevada Indians and other tribes are exposed to the proposed repeal without their knowledge and against their frequently expressed desires.

The legal and economic chaos that would follow repeal of the Reorganization Act has been described in the Department's report of June 22, 1939. May I point out that the report of the hearings on which the proposed action was based, has not yet been published and that, therefore, the Members of the Senate are not informed concerning the actual facts in this controversy. I also want to reiterate that the action proposed in S. 2103 would deal a devastating blow to the morale of the Indians throughout the country who would be justified in feeling that this is but another, and violent, incident in the long series of historical cases in which the Government has broken its word with them.

Sincerely yours,

JOHN COLLIER, *Commissioner*.

Mr. O'MAHONEY. Let me read a portion of the letter:

This is to comment further on S. 2103, a bill to repeal the Indian Reorganization Act (act of June 18, 1934; 48 Stat. 984), as recommended for amendment by the Senate Committee on Indian Affairs. * * *

First of all, the Navajo Tribe is not under the Indian Reorganization Act; hence, the proposal in S. 2103 to exclude the Navajo Tribe from that act or to repeal the act in that tribe's behalf is without meaning.

In other words, the bill undertakes to repeal an act with respect to a tribe which is not at all affected by the act. I am given to understand that the Indians of that tribe took a vote and chose not to come under the act. As a consequence, it is no longer possible for the act to apply to those Indians. That being the case, it seems to be utterly futile to attempt to repeal an act with respect to them, since the act has no effect as to them. I understand that the same situation applies to some of the other tribes affected by the bill.

Without further taking up the time of the Senate, let me reassert what I stated in response to the inquiry of the Senator from Utah [Mr. KING]. The Department of the Interior and the Office of Indian Affairs are very much opposed to the bill, and are desirous that the measure go back upon the calendar, to be considered in regular order; and, furthermore, that an opportunity be presented to the Indians who are affected, and who do not desire the repeal, to present their case to the Senate through the committee.

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

Mr. O'MAHONEY. I yield to the Senator from Utah.

Mr. KING. The last sentence of the Senator prompts me to make an inquiry. In view of the fact that some Indians do not desire to come within the terms of the bill, does the Senator think we ought to pass it without giving them an opportunity to be heard and to express their opposition to the bill, or to offer amendments to it?

Mr. O'MAHONEY. I quite agree with the Senator. I feel that the motion which I have made to reconsider the vote by which the bill was passed should be agreed to.

This measure, reported from the Committee on Indian Affairs, was passed by unanimous consent on February 22 when the calendar was called. The next day I gave notice of a motion to reconsider, and that motion is now under consideration. Perhaps, Mr. President, I ought formally to make the motion. If that is necessary, I do so at this time.

Mr. KING. The motion does not mean that we shall take up the bill for consideration today?

Mr. O'MAHONEY. No. If my motion is agreed to, it merely means that the bill will go back to the calendar.

Mr. President, I understand that not a single tribe which has been organized and incorporated under the act has indicated a desire to surrender the benefits and privileges of the act by this repealer. The amended bill would repeal the act for all the tribes in Nevada and California, the Eastern Cherokee Tribe in North Carolina, the Colorado River Tribe of Indians in Arizona, the Pine Ridge and Yankton Sioux Tribes in South Dakota, the Standing Rock Sioux Tribe in North Dakota and South Dakota, and the Navajo Tribe in New Mexico.

After my motion was made I received many letters from Indians expressing the hope that the motion would prevail, and I understand that similar letters have been received by the Office of Indian Affairs.

Mr. President, I also request that there be printed as a part of my remarks a memorandum which was prepared by Mr. Collier, Commissioner of Indian Affairs.

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

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, March 2, 1940.

Memorandum:

Since S. 2103 was brought to the floor of the Senate on January 19, 1940, the Indian Office, the Department, and, I understand, the Senate Committee on Indian Affairs have been receiving each day protests from Indians expressing alarm and dismay over the prospective repeal of the Indian Reorganization Act. The Indians of

Nevada and California are especially distressed owing to the fact that this repeal measure, which would apply to them, was introduced without a request from them and, in fact, without any prior notification to them. They have never had a chance to be heard in connection with the Indian Reorganization Act.

I am listing below, by States and tribes, such protests as have come to our attention.

Nevada:
- Fallon Business Council, March 8, 1939, January 31, 1940.
- Moapa River Tribal Council.
- Duck Water Shoshone Indians.
- Te-Moak Bands of the Western Shoshone Indians.
- Yomba Shoshone Tribe.
- Shoshone Paiute Tribes.
- Walker River Tribal Council.
- Washoe Tribe.
- Fort McDermitt Paiute and Shoshone Tribes.

California:
- Pit River Tribe.
- Barona Indian Reservation.
- Wilton Community.
- Tuolumne Community.
- Upper Lake Community.
- Big Valley Rancheria.
- Covelo Indian Community.
- San Pasqual Indian Reservation.

Arizona: Colorado River Tribal Council—January 1 to January 21, 1940.

South Dakota:
- Pine Ridge—January 23, 1940; February 2, 28, 1940; February 5, 1940; February 26, 1940; February 24, 1940.
- Cheyenne River—January 19, 1940; January 31, 1940; February 28, 1940; January 21, 1940; January 23, 1940; February 23, 1940.
- Yankton Indians.
- Standing Rock—January 25, 1940 (2), February 20, 1940.

North Carolina: Eastern Band of Cherokee Indians.

The following letters have come from certain Indians of the Standing Rock Reservation who favor repeal of the act for their tribe:
- Bede Uses His Arrow.
- James Bear Ribs.
- Eugene Younghawk.
- John White Shield, Joseph Eagleman, Black Hills Claim and Treaty Council.

In addition to the foregoing protests from Indians, I attach also letters received from the New Mexico Association on Indian Affairs and the Southern California Branch of the American Association on Indian Affairs.

JOHN COLLIER, *Commissioner.*

Mr. FRAZIER. Mr. President, when the Indian reorganization bill, known as the Wheeler-Howard bill, was first proposed by the Indian Bureau and was pending in both branches of Congress, I happened to visit the Indian reservation in North Dakota known as the Standing Rock Reservation, a part of which is in South Dakota. At that time I advocated that the Indians try out the bill. It was very highly recommended by the Department; and I told them that if they were willing to give it a test, and if it did not work as the Department said it would work, I would do my best to see that it was repealed.

The Standing Rock Reservation voted on the question and accepted the Wheeler-Howard Act by a small margin, went along for some little time, and then decided they did not want it. When the constitution and bylaws were submitted by the Department to the tribe for a vote, the tribe voted them down; and the Standing Rock Reservation has voted down the constitution and bylaws—which are necessary to put the act into full force—three times, the last two times by a majority of more than 2 to 1.

Mr. President, I introduced a bill to exempt that particular reservation. Several other reservations in other States wanted to be exempted, and other Senators introduced similar bills. So in the Indian Affairs Committee the bills were all combined in one bill, which was perfectly agreeable to me. We held hearings at which we heard from the Indians of several reservations. The majority of those who appeared before the committee were opposed to the Wheeler-Howard Act. The only ones who have written to me in favor of it—and I dare say the only ones who have so written to the Senator from Wyoming—are Indians who are now on the pay roll of the Department. Some so-called Indian organizations have written protesting against the repeal, but they apparently do not know what the situation is.

So, Mr. President, I hope the motion of the Senator from Wyoming will not prevail, as the Indians of the Standing Rock Reservation are against it 2 to 1; and I know that the same situation prevails in other States.

Mr. CHAVEZ. Mr. President, I wish to explain the proposal contained in the bill exempting certain tribes of Indians from the provisions of the Wheeler-Howard Act.

Several Members of the Senate introduced bills affecting Indians in their respective States. A bill was introduced by the Senator from North Carolina [Mr. REYNOLDS]. The Senator from Nevada [Mr. McCARRAN] introduced a bill affecting some Indians in Nevada. The Senator from North Dakota [Mr. FRAZIER] introduced a bill affecting Indians in North Dakota. The Senator from Montana [Mr. WHEELER], coauthor of the act, introduced a bill affecting Indians in Montana. One of the Senators from Arizona introduced a bill affecting Indians in Arizona, and I introduced a bill affecting the Navajo Indians in New Mexico.

The Committee on Indian Affairs, of which the Senator from Oklahoma [Mr. THOMAS] is the chairman, held hearings for 3 or 4 years; and during the entire time the Office of Indian Affairs was against the exemption of these particular Indians. The only Indians affected, the only ones who would be exempt, are those who are against the Wheeler-Howard Act or who have voted against coming under the Wheeler-Howard Act. The bill does not affect the original Wheeler-Howard Act as much as it affects the Indians who do not desire to be governed under the Wheeler-Howard Act.

The Office of Indian Affairs has always been against this bill; but I maintain that in this particular instance the Indians should be considered. I know that the Office of Indian Affairs induced various persons to telegraph to Senators and to the Office of Indian Affairs protesting against the bill.

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

Mr. CHAVEZ. I yield.

Mr. ADAMS. I wish the Senator would give us some information as to the law. If a tribe of Indians votes not to come under the Wheeler-Howard Act, may it subsequently vote to come in under the act?

Mr. CHAVEZ. My understanding is that it may not; but that is not the question so far as the Indian is concerned. It is a psychological matter. The Navajo Indians of the State of New Mexico overwhelmingly voted against the Wheeler-Howard Act. Nevertheless, when they see an employee of the Office of Indian Affairs coming among them and talking every day in the week about the Wheeler-Howard Act, they think they are still working under the Wheeler-Howard Act; and they want a little peace of mind.

Let me say to the Senator from Wyoming that if he wants petitions from Indians, and not from the Office of Indian Affairs, I have something like 1,600 Indian names, with their thumbprints. Not one of them is working for the Office of Indian Affairs. Everyone is desirous of being exempted from anything which may indicate that he is working under the Office of Indian Affairs.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. O'MAHONEY. If the contention which is made be true—namely, that the Indians who are opposing this bill are not truly representative of their tribes, would it not be a perfectly simple matter to bring them before the committee and clearly determine that matter? The representation is made that the Indians who are receiving great benefits under the act have not been given an opportunity to be heard.

We know that the bill was reported at the last session of Congress. The galley proofs of the hearings which were held were not available to the committee at the time the bill was reported, and were not subsequently available until 6 or 8 weeks ago.

Mr. CHAVEZ. Mr. President, I think the idea is that the hearings were not available because they were in the hands of the Indian Bureau; otherwise the members of the committee would have had them. There are some members of the committee, however, who attend the meetings of the Indian Affairs Committee. The Senator from Oklahoma [Mr. THOMAS] was there, the Senator from North Dakota [Mr. FRAZIER] was there, and on many occasions I happened to be there; and Indian after Indian testified that he wanted to get away from the provisions of the Wheeler-Howard Act.

Frequently Congress passes laws repealing some particular law the Indians may not want. If the Indians do not want that particular law, and have said so, is there anything wrong in Congress passing a law that will at least give the poor Indians a little peace of mind?

I call the attention of the Senator from Wyoming to the fact that only 2 weeks ago four Indians making their way here from South Dakota to protest against the motion made by the Senator from Wyoming were in a wreck in Pennsylvania. One of them was killed; two others were injured; another one finally made his way to the city of Washington to visit the Senator from North Dakota [Mr. FRAZIER], and to protest to him. We have had plenty of information in the committee from the Indians to the effect that they do not desire the continuance of the present act; and, as I have stated, the bill which is the subject of the motion to reconsider affects only the Indians who have indicated that they do not want to be controlled by the Wheeler-Howard Act.

When the Indians from Nevada appealed to the Senator from Nevada [Mr. MCCARRAN] it was only natural that he should introduce a bill. When the Senator from Montana [Mr. WHEELER], who was the sponsor of the original bill, was asked by the Indians in his State to introduce a bill, it was only natural that he should do so. The Senator from North Dakota [Mr. FRAZIER], the Senator from South Dakota [Mr. GURNEY], one of the Senators from Arizona, and the Senator from California [Mr. DOWNEY] introduced bills exempting Indians of their particular States.

If we do not represent the Indians, and are supposed only to take the word of the Indian Office, well and good; but, so far as I am concerned, I still maintain that we owe a duty to the Indians, and I hope the motion of the Senator from Wyoming will not prevail.

Mr. GURNEY. Mr. President, I feel that the motion to reconsider, made by the Senator from Wyoming should not gain the approval of the Senate. I feel that the action of the Senate in passing the bill on February 22 should stand, and that the bill should be sent to the House for its consideration.

The bill exempts from the provisions of the existing law nine reservations. Four of these reservations are in the State of South Dakota, and I am vitally interested in the welfare of the Indians on those reservations.

I desire to call the attention of the Senate to the fact that conditions on the different reservations in our State—and I presume the same thing is true in the other States—are not liked by a majority of the Indians themselves. Recently, the conditions have become so terrible that many delegations are coming to Washington to protest against them. They come here because they think this is the only place where they can have their wrongs adjusted.

I shall refer to two delegations only. Last week two Indian women hitchhiked to Washington to press for the passage of this bill. About 2 weeks before that two automobile loads of Indian men started for Washington. One of the automobiles arrived here safely. The other car got as far as Bedford, Pa., and there was wrecked. One of the old Indians was killed; two of them were very badly injured; and the other one, while he had to go to the hospital along with the other two, was not so badly injured.

At any rate, the Indians are taking these chances. They are coming here not properly equipped, because they know what they are up against on the reservations; and they would be much more satisfied to get out from under the provisions of the Wheeler-Howard Act, which have not worked for their benefit on any of the reservations in my State.

Therefore, I hope the motion to reconsider will not prevail, and that the bill will become law.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Wyoming [Mr. O'MAHONEY] to reconsider the vote by which Senate bill 2103, to repeal the act entitled "An act to conserve and develop Indian lands and resources," and so forth, was passed.

The motion to reconsider was rejected.

MOTHER'S DAY

Mr. CAPPER. Mr. President, on Sunday next, the second Sunday in May, most of the civilized world—in the Americas, in Europe, in Asia, in far-off Africa—will give pause to remember, to commemorate, to pay tribute to the tender memory of the one person all mankind remembers with everlasting and steadfast affection and reverence—mother.

If there is one word in the languages of the world that appeals to the best and highest that lives in all, that releases the best in all of us, even in the soul of the cynic, the sophisticate, the depraved, equally with those who have attained the heights in their mental and spiritual development, it is the word mother.

Mother's Day is recognized the world over. There are four Federal laws on the statute books of the United States relating to the United States flag. One of these, a joint resolution of Congress approved May 8, 1914, authorizes the display of the flag on Mother's Day, the second Sunday in May.

Mankind has held mother in veneration and love for probably hundreds of centuries; but it remained for an American woman, Miss Anna M. Jarvis, of Philadelphia, Pa., over 3 decades ago, to inaugurate the setting aside of one day in each year as Mother's Day. Today, that observance is almost world wide.

Mother love, the love of the mother for her children, is the heart and soul of all that is worth while in our civilization. Mother love is everlasting; it is self-sacrificing; it is tenderness and devotion, truth and loyalty to the utmost degree; it is thoughtful and provident; it knows no limits, nor reckons consequences to self, if the deed serves the loved one.

The mother is the center of the family. Around her the father, the brothers, and sisters, move within the orbit of her affection and care. Mother love is the purest loyalty; it might be said to be the source of loyalty. Her's is the spirit of sacrifice. Mother love is the beginning and the end of cooperation.

Loyalty, sacrifice, cooperation—these three qualities make for greatness in families, in communities, in nations. "Greater love hath no man than this, that a man lay down his life for his friends." Mothers offer their lives for their children to bring them into the world; they daily give of their lives in abundance to nurture their children; they live in the lives of their loved ones; they suffer in the suffering of their loved ones. They give all, and, in the giving, receive all.

Fortunate are those who this day may turn to mother and pay her on this Mother's Day the tribute she so richly deserves; who can tell mother in all sincerity and earnestness that they will repay her for her devotion, for her sacrifices, by similar devotion and, if necessary, by similar sacrifices, to the common cause of humanity.

To those not so fortunate, to those for whom only the priceless heritage of memory remains, Mother's Day can be a day of consecration to the cause of humanity, the advancement of the welfare of their fellows.

Mothers' hearts are anxious over all the world today. Mothers' sons are being torn and gashed and broken and rent asunder on the battlefields of Europe and the Orient. Mothers' children at home, in many quarters of the world, are in danger of death and destruction from the air. People look upward in fear where they should be able to look upward with hope and security.

Mothers in America look to the future with dread and fear. They do not want their boys sent into the maelstrom of destruction and despair. Let the leadership of America serve the mothers of America, and the cause of civilization, by preserving in this continent the ideals of peace and freedom and democracy, so that after the war abroad we may lead the way toward peace and security in the wake of warbred miseries.

Let every American on this Mother's Day resolve so to live during the coming year that Mother will be glad she brought him into the world; let every American live up to the exalted ideals of his mother, and the world will become a better and much happier place.

Mr. President, I ask unanimous consent to include in the RECORD at this time, as part of my remarks, a statement from the Mother's Day International Association of Philadelphia, founded by the woman who started the annual observance of Mother's Day, Miss Anna M. Jarvis.

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

MOTHER'S DAY, SECOND SUNDAY IN MAY, ANNA JARVIS, FOUNDER, PHILADELPHIA

It is doubtful if any movement of the times, in the way of a celebration, has such a strong and lasting appeal to persons of all races, creeds, and classes as has the Mother's Day celebration.

It is the most universal of all of our celebrations, for all of our religious and patriotic observances are not without prejudice of some class, race, or creed.

The word "mother" is the most potent of all words, wherever the foot of civilization has left its imprint.

This Mother's Day is not an idle sentiment. It is a great constructive movement of international interest. It is now celebrated annually around the globe.

The people of the boardwalks of Honolulu and Atlantic City, and Australia on the other side of the globe are just as enthusiastic for Mother's Day as any places one might mention.

In Japan, China, Africa, Palestine, European countries, etc., the work of Mother's Day has been established by its founder, Miss Anna Jarvis, of Philadelphia.

CONSTRUCTIVE MOVEMENT

In the American Army and Navy Mother's Day is celebrated with tender enthusiasm by officers and men alike. Indeed, this celebration is thought to be of great benefit to the morale of our enlisted men. Certainly it is a cherished occasion. Nothing but good can come from the observance of any special occasion that gets a man closer to the heart of a good mother through his letter, or visit, or other remembrance of home.

Nothing but good can come from setting apart one day of the year in the Army and Navy, in our homes, in our official and business life, and in the life of the whole Nation, to pay tribute to the memory of the beloved mothers and fathers who have gone before or to show grateful affection to the living.

Our American homes are the glory of our Nation and are our inspiration.

One day of the year for remembrance of mothers' sacrifices, their fidelity, their deeds, is not, indeed, a day lost.

Any movement that deepens home ties, that inspires better national life, that makes better sons and daughters is indeed constructive. Far be it from any thought of maudlin sentiment. And yet sentiment is part of the best and most gracious and ennobling things of life, especially that sentiment which clings to the words "mother," "home," and national flag.

SECOND SUNDAY IN MAY

Mother's Day always comes the second Sunday in May.

It is unfortunate that so many other things are now trying to attach themselves to this movement because of its success.

This is unfortunate and unjust, because the founder of Mother's Day, Miss Anna Jarvis, has given the best part of her life to developing Mother's Day on high standards.

Her limited means have been devoted to the cause dear to her heart, in order that Mother's Day might be free from any money taint, and yet we all know the commercialism of flowers and trade, and now of other causes that are endeavoring to work on the public through this woman's labor, and contrary to all effort to prevent their greed.

It does seem that sons and daughters of all classes should cooperate with the founder of Mother's Day and keep it free from trade uses and those solicitations which in no way have any connection with it.

WRITE OR GO HOME

Two of the Mother's Day celebration features are "home going" and "writing home." Not any person is too poor or busy at least to write a message home.

Any mother would rather have a line of the worst scribble from her son or daughter than any fancy greeting card or telegram with her name is misspelled.

AMERICAN FLAG

It will ever be to the glory of America that the first legislation for the general display of the American flag as a custom and special honor to homes and women was a resolution that Miss Jarvis succeeded years ago in getting Congress to pass.

Through this resolution it is now the custom for Old Glory to be displayed annually on Mother's Day (Sunday) from all public buildings, schools, homes, and other suitable places.

Is it not an inspiring thought that the mothers of the founders of our country, the mothers of our patriots, are thus honored by sons and daughters?

In all of the years of Mother's Day work there have not been drives nor solicitations. Therefore people little realize the immense labor of the founder, Anna Jarvis, that has been necessary year after year.

It has required funds for its clerical work incident to the answering of thousands of letters, the direction of the annual celebration, office rent, stationery, educational leaflets, etc., just as are required by any cause that must be promoted. These expenses have been met practically by the founder of Mother's Day, in addition to the immense labor she has given.

MONUMENT TO OUR MOTHERS

It hardly seems possible Miss Jarvis would undertake more work, but she is planning the erection of a tribute to the mothers and homes of America in this city. This monument will be one that will remind you and me of the "mothers of our hearts," and it should be a tribute that will make the stranger of foreign lands who may visit this Capital City think that American homes and mothers are the Nation's idol. Every son and daughter should aid Miss Jarvis in this new tribute to their mothers.

This monument will not be for what some persons may call great mothers, nor for women seeking greatness through some ancestral line, but for your mother and mine.

Too long delayed has been a fitting tribute in this city of the National Capital to the mothers of the Nation's founders; and to the mothers of its sons whose patriotism and sacrifices won our wars and whose wisdom has guided the Nation to its glory, prosperity, and righteousness.

The Mother's Day monument should be one worthy of a great family of sons and daughters as represented by our Nation.

PROSPERITY OF AMERICAN MANUFACTURERS

Mr. MINTON. Mr. President, recently we have heard a great deal about the failure of private enterprise in this country, about the persecution of business by the present administration, and the lack of confidence of business; and, because of that lack of confidence, the failure of so-called venture capital to go into business.

I have before me a very interesting article published in the Chicago Herald-American by the financial editor of that newspaper, Mr. Robert P. Vanderpoel, in which he directs attention to the report and study recently published by the National City Bank, of New York, which study relates to the earnings of the corporations that have reported for the first quarter of 1940. There are some 279 of these corporations, representing an investment of something like $10,000,000,000. According to Mr. Vanderpoel's article, the net income of these large corporations, after expenses, taxes, and depreciation upon that large investment are deducted, is 12 percent. The same corporations have shown an increase over last year of 76.8 percent.

Therefore, Mr. President, it seems that private enterprise is not dead, and that business is not without a profit. It seems to have many of the other kind of prophet, of the Cassandra variety, who are always lamenting the fact that business cannot make a legitimate profit. Even my good friend, Wendell Willkie, who is running for President, joins the crowd at the wailing wall sorrowing over the bad business in the country, but I notice that the operating revenues of 25 of the large utility systems, for the 12 months ended March 31, were reported as being 6 percent greater than for the corresponding period of the preceding year.

I ask that this article by Mr. Vanderpoel, which appeared in the Chicago Herald-American for May 5, 1940, be printed at this point in my remarks.

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

[From the Chicago Herald-American of May 5, 1940]

MANUFACTURING FIRMS EARNING AT 12-PERCENT RATE—COMBINED FIRST QUARTER REPORTS DISCLOSE SHARP RISE

(By Robert P. Vanderpoel, Financial Editor)

A preliminary study of corporate earnings for the first quarter of 1940 by the National City Bank of New York was made public last week. It covers 279 manufacturing corporations and discloses that this group earned at an average annual rate equivalent to 12 percent on net worth during the 3-month period.

This compares with a 6.9-percent rate in the first quarter of last year and 8.4 percent for a larger number of corporations, representing more than one-half of the industrial earning power of the Nation, for the full year 1939.

Net profits, after all charges, including depreciation and estimated taxes, for the first quarter of this year of these 279 corporations aggregated $312,017,000, as compared with $176,466,000 in the like period of last year. This is an average improvement in earnings of 76.8 percent.

ALL PROFITED

Net worth of these corporations on January 1 amounted to $10,411,107,000.

All groups on the average operated at a profit. The lowest return was made by the United States Steel Corporation, grouped by itself because of its size, which earned 5.2 percent on net worth. Other iron and steel companies earned an average of 8.4 percent.

The next lowest return was 6.4 percent made by the manufacturers of metal building equipment.

On the other extreme General Motors, also grouped separately because of its size, was shown as earning 25.4 percent on its net worth. Other automobile companies earned only 7.5 percent. Automobile-equipment manufacturers, however, earned 22 percent on their invested capital. Manufacturers of textiles and apparel earned 17.2 percent, chemical and drug producers 16.2 percent.

COAL NET SMALL

In addition to the 279 manufacturing concerns, compilations were made for 61 other corporations engaged in mining, trade, and service. The coal-mining companies earned only 2.5 percent on their net worth. This, however, contrasted with a deficit a year ago.

Metal-mining concerns earned 7.4 and miscellaneous mining and quarrying earned 12 percent.

Thirteen concerns engaged in trade earned at a rate of only 4.4 percent on their net worth. These concerns, it might be pointed out, count on the final quarter of the year for their big profits. In the first 3 months of 1939 they earned only 0.6 percent.

Fourteen corporations in the group "service and construction" earned an average return of 7 percent.

PROVE PROFIT MOTIVE

These figures once more prove that the profit motive has not been destroyed in the United States; that, despite high taxes and pressure for increased wages, industry—at least big industry—is operating very profitably.

While only 279 industrial corporations are included, there is no reason to believe from previous experience that more complete results will show a great variance from the 12-percent figure disclosed.

The National City Bank in its own comments on this study states that "a number of representative companies in certain lines had the largest first-quarter earnings in their history."

SALES INCREASE

A compilation of the sales of 40 manufacturing concerns that make public their figures quarterly revealed an aggregate of $1,150,000,000, compared with $952,000,000 in the first quarter of last year, an increase of 21 percent.

In the merchandising field, chain stores and mail-order houses—aggregating 40 in number—reported sales of $828,000,000, compared with $746,000,000 a year ago, a gain of 11 percent.

Operating revenues of 25 large utility systems for the 12 months ended March 31 were reported at 6 percent ahead of the corresponding period of the preceding year.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations in the Coast Guard, which were referred to the Committee on Commerce.

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

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the calendar.

INTERSTATE COMMERCE COMMISSION

The legislative clerk read the nomination of John Monroe Johnson to be Interstate Commerce Commissioner.

Mr. BARKLEY. Mr. President, the Senator from Nevada [Mr. McCARRAN] yesterday requested that this nomination go over until Monday.

The PRESIDENT pro tempore. The nomination will be passed over.

THE JUDICIARY

The legislative clerk read the nomination of Bernard Fitch to be marshal for the district of Connecticut.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Wayne Bezona to be marshal for the eastern district of Washington.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Artis J. Chitty to be marshal for the western district of Washington.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTER (NOMINATION ADVERSELY REPORTED)

The legislative clerk read the nomination of Edna Koehler to be postmaster at Fredericksburg, Pa., which had been reported adversely.

Mr. McKELLAR. Mr. President, I ask that this nomination be rejected.

The PRESIDENT pro tempore. Without objection, the nomination is rejected.

POSTMASTERS (NOMINATIONS FAVORABLY REPORTED)

The legislative clerk proceeded to read sundry nominations of postmasters favorably reported.

Mr. McKELLAR. I ask that the nominations favorably reported be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc. That completes the Executive Calendar.

RECESS TO MONDAY

Mr. BARKLEY. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 12 minutes p. m.) the Senate took a recess until Monday, May 13, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 9 (legislative day of April 24), 1940

COAST GUARD OF THE UNITED STATES

Superintendent of Construction Thomas Pollard Fowler to be a lieutenant in the Coast Guard of the United States, to take effect from date of oath.

The following-named young men to be ensigns in the Coast Guard of the United States, to rank as such from May 20, 1940:

James Ford Bills
Paul Edward Burhorst
Clyde Raymond Burton
James Alfred Cornish
Edwin Clary Crosby
Holmes Forester Crouch
William Kehr Earle
Ottis Tillman Estes, Jr.
William Clarence Foster
Robert Earl Hammond
William Norman Holt
John Patterson Latimer
James Alfred Martin
Joseph James McClelland
Ira Harper McMullan
Raymond George Miller
Carey Carlisle Morgan, Jr.
Kenneth Woodrow Paine
Kenneth Homer Potts

The following-named persons to be officers in the Coast Guard of the United States, to take effect from dates of oath:

John M. Kendley to be a chief boatswain.
Peter Pedersen to be a chief machinist.
Lawrence N. Ditlefsen to be a chief boatswain.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 9 (legislative day of April 24), 1940

UNITED STATES MARSHALS

Bernard Fitch to be United States marshal for the district of Connecticut.

Wayne Bezona to be United States marshal for the eastern district of Washington.

Artis J. Chitty to be United States marshal for the western district of Washington.

POSTMASTERS

CONNECTICUT

Walter B. Johnson, Seymour.

MASSACHUSETTS

John J. Pendergast, Centerville.
John A. Bell, Leicester.
Henry A. Dainty, Monument Beach.
Robert M. Urann, Westwood.

PENNSYLVANIA

Steve Latsko, Jr., Allison.
Elsie Mae Moffett, Buck Hill Falls.
Kathryn L. Monahan, Centralia.
James L. Schmonsky, Clarendon.

Ferdinand O. Niebauer, Fairview.
Mary G. Wilson, George School.
Bernice W. Webb, Jamestown.
John M. Zarkoski, Kulpmont.
Jay C. Watts, Millville.
Mabel G. Johnston, Woolrich.

REJECTION

Executive nomination rejected by the Senate May 9 (legislative day of April 24), 1940

POSTMASTER

PENNSYLVANIA

Edna Koehler to be postmaster at Fredericksburg, in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 9, 1940

The House met at 11 o'clock a. m.

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

Most merciful Father in heaven, Thy fatherhood is the overarching and the undergirding reality of our abiding hopes. Through mercy divine, we are still treading the ways of Thy providence; O touch to harmony and patience our immortal souls. Grant that the Christ spirit may melt into cooperation all privileges, powers, and restraints. Do Thou guide us in our needs; be at our side when the way is uncertain and restrain us in all unwholesome tendencies; give inspiration and direction to all that is done in this memorable Chamber and out of this day's experiences shall there come new vision, greater outlook, and broader understanding and sweeter joys. In these silent moments may we rededicate ourselves to righteous duty, righteous authority, and, above all, to a righteous God. Almighty One, bring man into harmony with his world home. Thy majesty hangs in the window of every star, on the summit of every mountain, and in the face of every flower. Let the benediction of Thy care rest upon our Speaker and the Congress, and Thine shall be the glory. Through Christ our Redeemer. Amen.

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

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication, which was read:

WASHINGTON, D. C., *May 8, 1940.*

Hon. WILLIAM B. BANKHEAD,
The Speaker of the House, House of Representatives,
Washington, D. C.

MY DEAR MR. BANKHEAD: I respectfully present my resignation to the Public Buildings and Grounds Committee, in order that I may accept membership on the Flood Control Committee.

Thanking you, I remain,
Very truly yours,

A. J. ELLIOTT.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ADDITIONAL $60,000,000 FOR RURAL ELECTRIFICATION

Mr. RANKIN. 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 Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN. Mr. Speaker, I desire to call the attention of the House to the fact that for several months I have been trying to get $100,000,000 for rural electrification for the coming year, $60,000,000 in addition to the amount included in the appropriation bill now before the House.

We need every dollar of this $60,000,000. The R. E. A. has applications for more than $70,000,000 now, and as the Budget Bureau says, these requests would be much greater if advice as to lack of funds had not discouraged them. This money is to be lent through the R. F. C., just as they now loan to banks and railroads. Every dollar of this money will come back with interest. Millions of farmers are pleading for this service; they want it now.

I am glad to report that I now have the approval of the Budget for this extra $60,000,000, and I trust the Appropriations Committee will include this item in the new spending bill, and that it may be passed by the House when that measure comes before us for consideration in a few days.

I am inserting at this point a letter from the President, and his Budget recommendations, which are as follows:

MAY 8, 1940.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress an additional estimate of funds required by the Rural Electrification Administration for loans and the purchase of property, such funds to be obtained from the Reconstruction Finance Corporation, together with a supplemental estimate of appropriation for administrative expenses required in connection with the utilization of such Reconstruction Finance Corporation funds.

The details of these estimates, the necessity therefor, and the reason for their transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, with whose comments and observations thereon I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

MAY 6, 1940.

SIR: I have the honor to submit herewith for your consideration an additional estimate of funds required by the Rural Electrification Administration for loans and the purchase of property, such funds to be obtained from the Reconstruction Finance Corporation, together with a supplemental estimate of appropriation for administrative expenses required in connection with the utilization of such Reconstruction Finance Corporation funds, as follows:

RURAL ELECTRIFICATION ADMINISTRATION

Loans: For an additional amount, for the fiscal year 1941, for loans in accordance with sections 3, 4, and 5, and for purchase of property in accordance with section 7 of the Rural Electrification Act of 1936, as amended (7 U. S. C. 901–914), $60,000,000, which sum shall be borrowed from the Reconstruction Finance Corporation in accordance with the provisions of section 3 (a) of said act and shall be considered as made available thereunder; and the Reconstruction Finance Corporation is hereby authorized and directed to lend such sum in addition to the amounts heretofore authorized under said section 3 (a) and without regard to the limitation in respect of time contained in section 3 (e) of said act; and the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions hereof, $60,000,000.

Salaries and expenses: For an additional amount for salaries and expenses of the Rural Electrification Administration, fiscal year 1941, to be immediately available, including the objects specified under this heading in the Agricultural Appropriation Act for the fiscal year 1941, $600,000, of which amount not to exceed $23,000 may be transferred to the appropriation "Printing and binding, Department of Agriculture, 1941," $600,000.

The Rural Electrification Administration is now holding requests from potential borrowers totaling approximately $70,000,000, embracing 535 applications for loans in 44 States. Undoubtedly these requests would be much greater if advice concerning the lack of loan funds had not been a discouragement. On the basis of these unsatisfied loan requests some 70,000 miles of new lines could go under construction if loan funds were available.

It has become apparent that the current demand for rural electrification from the farmers of the United States cannot be satisfied by the $40,000,000 included in the annual Budget for 1941 for the Rural Electrification Administration. The purpose of the foregoing estimate is to meet this demand from the farmers. Incidentally it will provide a considerable amount of employment. The program is practically self-supporting except for administrative expenses and the funds are, therefore, to be obtained from the Reconstruction Finance Corporation.

Administrative expenses equivalent to 1 percent of the additional loan funds are also included herewith.

These supplemental estimates are required to meet contingencies which have arisen since the transmission of the Budget for the fiscal year 1941, and their approval is recommended.

Very respectfully,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

THE PRESIDENT,
The White House.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include certain communications.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain material describing the work of the Economic Division of the National Labor Relations Board and concerning the head of that division, Mr. Saposs.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. VOORHIS]?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the New York State Bar Association on neutrality.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut [Mr. SHANLEY]?

There was no objection.

Mr. SCHWERT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief letter from the Secretary of the Corn Exchange, Buffalo, N. Y.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SCHWERT]?

There was no objection.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting therein a statement in regard to two amendments I shall offer to H. R. 6971, a bill to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, title IV of the National Housing Act, and for other purposes, when the bill is considered by the House.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from one of my constitutents concerning the condition of Indians in my district.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. BUCKLER]?

There was no objection.

J. EDGAR HOOVER AND THE F. B. I.

Mr. O'BRIEN. 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 New York [Mr. O'BRIEN]?

There was no objection.

Mr. O'BRIEN. Mr. Speaker, I hold in my hand a clipping from the Rochester Democrat and Chronicle, which shows in screaming headline an attack made upon the very capable and efficient head of the F. B. I. by the distinguished gentleman from Nebraska. In this clipping it is stated that Mr. J. Edgar Hoover has an organization maintained at public expense to write speeches for him and they are sent to every newspaper throughout the United States.

I, on numerous occasions, have had permission to address the House and to extend my own remarks in the RECORD to include speeches given by J. Edgar Hoover, and may I state most emphatically that at no time has J. Edgar Hoover ever asked me to include in my remarks a speech made by him. The contrary is true. I have asked for them, and will continue to do so.

Mr. J. Edgar Hoover, in my estimation, is one individual in this country who has done more to rid the Nation of gangsters, hoodlums, and those who participate in the snatch racket than any man who has ever been associated with penal organizations in this country.

J. Edgar Hoover does not have to seek publicity. Hoover and his able assistant, Clyde Tolson, have done a most admirable job. Every man in the F. B. I. is thoroughly imbued with the spirit of loyalty and have a conscientious regard for their responsibilities, and a personal affection for J. Edgar. Hoover is a colorful individual in his own rights, and has the respect of every man, woman, and child in this country. I defy anyone to contradict that statement. My friend, J. Edgar Hoover, was accused of being a publicity hound once before by a distinguished personality from Tennessee, and what happened? From that day until this he has been extolled to the celestial dome by public acclamation because of his splendid accomplishments and his fearless record. What this country needs is J. E. Hoover, and more men like him. I, for one, will always welcome the opportunity to defend him and his F. B. I., and their splendid work. I know every lady and gentleman in this House feels exactly and precisely the way I do about this vicious attack.

[Here the gavel fell.]

AMENDMENT TO FEDERAL AID ACT

Mr. NELSON, from the Committee on Rules, submitted the following privileged resolution (Rept. No. 2117), which was referred to the House Calendar and ordered to be printed:

House Resolution 480

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 9575, a bill to amend the Federal Aid Act, approved July 11, 1916, as amended and supplemented, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Roads, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

RELIEF TO POLAND

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (Rept. No. 2118), which was referred to the House Calendar and ordered printed:

House Resolution 489

Resolved, That immediately upon 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 consideration of House Joint Resolution 501, a joint resolution for the relief of the distressed and starving men, women, and children of Poland and other similarly afflicted areas. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment, the Committee shall rise and report the same 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 amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. WARREN. Mr. Speaker, I reluctantly make the point of order that there is not a quorum present.

The SPEAKER. Will the gentleman withhold the point of order for a moment?

Mr. WARREN. Certainly.

The SPEAKER. The Chair will entertain only requests to extend remarks.

EXTENSION OF REMARKS

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to extend my own remarks in two particulars, one to include a letter written by one of my constituents to Hon. Cordell Hull, Secretary of State, and the other to insert an article by Rabbi Silver in the Cleveland Plain Dealer.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS of Ohio and Mr. ANDERSON of Missouri asked and were given permission to revise and extend their own remarks.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a letter from a farmer's wife with a suggested solution for some of our difficulties.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. WARREN. Mr. Speaker, I renew my point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty-three Members are present, not a quorum.

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

A call of the House was ordered.

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

[Roll No. 101]

Andrews	Gilchrist	Magnuson	Smith, W. Va.
Boehne	Green	Merritt	Steagall
Bolles	Hall, Edwin A.	Mitchell	Sweeney
Bolton	Hare	Murdock, Utah	Sweet
Clark	Harness	Norton	Taylor
Claypool	Hendricks	Osmers	Thomas, N. J.
Crosser	Hook	Peterson, Ga.	Ward
Darden, Va.	Jacobsen	Rogers, Okla.	Weaver
Darrow	Jennings	Routzohn	Whelchel
Dunn	Johnson, Ind.	Schulte	White, Idaho
Durham	Kirwan	Shafer, Mich.	White, Ohio
Englebright	Landis	Sheridan	
Folger	McGranery	Smith, Conn.	
Fries	Maas	Smith, Va.	

The SPEAKER. Three hundred and seventy-five Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

HON. JOE STARNES

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Without objection, it is so ordered.

Mr. HOBBS. Mr. Speaker, it was with ill-disguised glee that some wishful thinkers who oppose the work being done by the Dies committee reported that the gentleman from Alabama [Mr. STARNES], our friend who is the ranking majority member of that committee, and who so ably represents the Fifth Alabama District, was trailing in his race in Tuesday's primary. It is my delight to announce that not only was this distinguished Representative not trailing but that he carried seven out of the eight counties of his district and won by the largest majority he has ever received. [Applause.]

EXTENSION OF REMARKS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short table on Federal housing in Oregon.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TRANSPORTATION ACT OF 1940

Mr. LEA. Mr. Speaker, I call up the conference report on the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes, and ask unanimous consent that the statement of the manager on the part of the House may be read in lieu of the conference report.

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

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, 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 disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter inserted by the amendment of the House, insert the following:

"That this Act, divided into titles and sections according to the following table of contents, may be cited as the Transportation Act of 1940:

"TABLE OF CONTENTS

"TITLE I—AMENDMENTS TO EXISTING LAW

"Sec. 1. Short title for act to regulate commerce; declaration of national transportation policy.
"Sec. 2. Amendments to section 1 (3), (4), and (5).
"Sec. 3. Transportation free or at reduced rates.
"Sec. 4. Amendments to section 1 (14), (17), and (18).
"Sec. 5. Amendments to section 3.
"Sec. 6. Long-and-short-haul provision.
"Sec. 7. Amendments to section 6.
"Sec. 8. Amendments to sections 12 and 13.
"Sec. 9. Amendments to sections 15 and 15a.
"Sec. 10. Amendments to section 16.
"Sec. 11. Commission procedure; delegation of duties; rehearings.
"Sec. 12. Amendments to section 20.
"Sec. 13. Amendments to sections 25, 26, and 27.
"Sec. 14. Short title for part II.
"Sec. 15. References to policy declared in part II.
"Sec. 16. Amendments to section 202.
"Sec. 17. Amendments to section 203.
"Sec. 18. Exemption of certain interstate and foreign commerce operations of motor carriers.
"Sec. 19. Amendments to sections 204, 205, and 206.
"Sec. 20. Amendments to sections 210, 210a, and 212.
"Sec. 21. Amendments to sections 216 and 217.
"Sec. 22. Amendments to section 218.
"Sec. 23. Accounts, records, and reports of motor carriers.
"Sec. 24. Amendments to sections 221 and 222.
"Sec. 25. New section relating to allowances to shippers.
"Sec. 26. Investigation of need for regulating sizes and weight of motor vehicles.

"TITLE II—REGULATION OF WATER CARRIERS IN INTERSTATE AND FOREIGN COMMERCE

"Sec. 201. Part III of Interstate Commerce Act.
" 'Part III
" 'Sec. 301. Short title.
" 'Sec. 302. Definitions.
" 'Sec. 303. Application of provisions; exemptions.
" 'Sec. 304. General powers and duties of the Commission.
" 'Sec. 305. Rates, fares, charges, and practices; through routes.
" 'Sec. 306. Tariffs and schedules.
" 'Sec. 307. Commission's authority over rates, and so forth.
" 'Sec. 308. Reparation awards; limitation of actions.
" 'Sec. 309. Certificates of public convenience and necessity and permits.
" 'Sec. 310. Dual operations under certificates and permits.
" 'Sec. 311. Temporary operations.
" 'Sec. 312. Transfer of certificates and permits.
" 'Sec. 313. Accounts, records, and reports.
" 'Sec. 314. Allowances to shippers for transportation services.
" 'Sec. 315. Notices, orders, and service of process.
" 'Sec. 316. Enforcement and procedure.
" 'Sec. 317. Unlawful acts and penalties.
" 'Sec. 318. Collection of rates and charges.
" 'Sec. 319. Employees.
" 'Sec. 320. Repeals.
" 'Sec. 321. Transfer of employees, records, property, and appropriations.
" 'Sec. 322. Existing orders, rules, tariffs, and so forth; pending matters.
" 'Sec. 323. Separability of provisions.'
"Sec. 202. Time effective.

"TITLE III—MISCELLANEOUS

"Part I—Investigation of Various Modes of Transportation
"Sec. 301.
"Sec. 302.
"Sec. 303.
"Sec. 304.
"Sec. 305.
"Sec. 306.
"Part II—Rates on Government Traffic
"Sec. 321. Government to pay full rates.
"Sec. 322. Deduction of overpayments.
"Part III—Amendments to Reconstruction Finance Corporation Act
"Sec. 331.

"TITLE I—AMENDMENTS TO EXISTING LAW

"SHORT TITLE FOR ACT TO REGULATE COMMERCE; DECLARATION OF NATIONAL TRANSPORTATION POLICY

"SECTION 1. The Act entitled 'An Act to regulate commerce', approved February 4, 1887, as amended (U. S. C., 1934 edition, title 49, secs. 1–27; Supp. IV, title 49, secs. 3, 6, 11, 15, 18, 21, 22, 25, 26, 301–327), is amended by inserting before part I the following:

" 'SHORT TITLE

" 'This Act may be cited as the Interstate Commerce Act.

" 'NATIONAL TRANSPORTATION POLICY

" 'It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all

modes of transportation subject to the provisions of this Act, so administered as to recognize and preserve the inherent advantages of each; to promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers; to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; to cooperate with the several States and the duly authorized officials thereof; and to encourage fair wages and equitable working conditions;—all to the end of developing, coordinating, and preserving a national transportation system by water, highway, and rail, as well as other means, adequate to meet the needs of the commerce of the United States, of the Postal Service, and of the national defense. All of the provisions of this Act shall be administered and enforced with a view to carrying out the above declaration of policy.'

"AMENDMENTS TO SECTION 1 (3), (4), AND (5)

"SEC. 2. (a) Paragraph (3) of section 1 of the Interstate Commerce Act, as amended, is amended by inserting after '(3)' the letter '(a)' and by adding at the end thereof a new sentence as follows: 'The term "person" as used in this part includes an individual, firm, copartnership, corporation, company, association, or joint-stock association; and includes a trustee, receiver, assignee, or personal representative thereof.'

"(b) Such paragraph (3) is amended by adding at the end thereof a new subparagraph (b) as follows:

"'(b) For the purposes of section 5, 12 (1), 20, 204 (a) (7), 210, 213, 220, 304 (b), 310, and 313 of this Act, where reference is made to control (in referring to a relationship between any person or persons and another person or persons), such reference shall be construed to include actual as well as legal control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders, a voting trust or trusts, a holding or investment company or companies, or through or by any other direct or indirect means; and to include the power to exercise control.'

"(c) Paragraph (4) of such section 1 (which relates to the duty of common carriers subject to part I to establish through routes and rates applicable thereto), is amended to read as follows:

"'(4) It shall be the duty of every common carrier subject to this part to provide and furnish transportation upon reasonable request therefor, and to establish reasonable thorough routes with other such carriers, and just and reasonable rates, fares, charges, and classifications applicable thereto; and it shall be the duty of common carriers by railroad subject to this part to establish reasonable through routes with common carriers by water subject to part III, and just and reasonable rates, fares, charges, and classifications applicable thereto. It shall be the duty of every such common carrier establishing through routes to provide reasonable facilities for operating such routes and to make reasonable rules and regulations with respect to their operation, and providing for reasonable compensation to those entitled thereto; and in case of joint rates, fares, or charges, to establish just, reasonable, and equitable divisions thereof, which shall not unduly prefer or prejudice any of such participating carriers.'

"(d) Paragraph (5) of such section 1 is amended by inserting after '(5)' the letter '(a)' and by striking out the following: ': *And provided further,* That nothing in this part shall be construed to prevent telephone, telegraph and cable companies from entering into contracts with common carriers for the exchange of services', and by adding after such paragraph (5) (a) a new paragraph as follows:

"'(b) Nothing in this Act shall be construed to prevent any common carrier subject to this Act from entering into or operating under any contract with any telephone, telegraph, or cable company, for the exchange of their service.'

"TRANSPORTATION FREE OR AT REDUCED RATES

"SEC. 3. (a) Paragraph (7) of section 1 of the Interstate Commerce Act, as amended, is amended by striking out 'and their families, its officers, agents, surgeons, physicians, and attorneys at law;' and inserting in lieu thereof a comma and the following: 'its officers, surgeons, physicians, and attorneys at law, and the families of any of the foregoing; to the executive officers, general chairmen, and counsel of employees' organizations when such organizations are authorized and designated to represent employees in accordance with the provisions of the Railway Labor Act;'.

"(b) Such paragraph (7) is further amended by striking out 'to Railway Mail Service employees, post-office inspectors,' and inserting in lieu thereof 'to railway mail-service employees and persons in charge of the mails when on duty and traveling to and from duty, and all duly accredited agents and officers of the Post Office Department and the Railway Mail Service and post-office inspectors while traveling on official business, upon the exhibition of their credentials; to'.

"(c) The first sentence of paragraph (1) of section 22 of the Interstate Commerce Act, as amended, is amended—

"(1) by inserting after 'the necessary agents employed in such transportation,' the following: 'or the transportation of persons for the United States Government free or at reduced rates,'; and

"(2) by inserting after 'free carriage to their own officers and employees,' the following: 'or to prevent the free carriage, storage, or handling by a carrier of the household goods and other personal effects of its own officers or employees when such goods and effects must necessarily be moved from one place to another as a result of a change in the place of employment of such officers or employees while in the service of the carrier,'.

"(d) The last sentence of paragraph (1) of such section 22 (which relates to reduced rates to improve housing conditions, and so forth) is hereby repealed.

"(e) Paragraph (1) of such section 22 is hereby amended by striking out '(1)'; and paragraphs (2) and (3) of such section 22 (which relate to the issuance of interchangeable mileage tickets), are hereby repealed.

"AMENDMENTS TO SECTION 1 (14), (17), AND (18)

"SEC. 4. (a) Paragraph (14) of section 1 of the Interstate Commerce Act, as amended, is amended to read as follows:

"'(14) (a) The Commission may, after hearing, on a complaint or upon its own initiative without complaint, establish reasonable rules, regulations, and practices with respect to car service by common carriers by railroad subject to this part, including the compensation to be paid and other terms of any contract, agreement, or arrangement for the use of any locomotive, car, or other vehicle not owned by the carrier using it (and whether or not owned by another carrier), and the penalties or other sanctions for nonobservance of such rules, regulations, or practices.

"'(b) It shall be unlawful for any common carrier by railroad or express company, subject to this part, to make or enter into any contract, agreement, or arrangement with any person for the furnishing to or on behalf of such carrier or express company of protective service against heat or cold to property transported or to be transported in interstate or foreign commerce, or for any such carrier or express company to continue after January 1, 1941, as a party to any such contract, agreement, or arrangement unless and until such contract, agreement, or arrangement has been submitted to and approved by the Commission as just, reasonable, and consistent with the public interest: *Provided,* That if the Commission is unable to make its determination with respect to any such contract, agreement, or arrangement prior to said date, it may extend it not later than July 1, 1941.'

"(b) Paragraph (17) of such section 1 (which relates to the duty of carriers by railroad, and their agents, to obey orders of the Commission relating to car service) is amended by inserting after '(17)' the letter '(a)'; and by adding after such paragraph (17) (a) the following new subparagraph:

"'(b) It shall be unlawful for any person to offer or give or cause or procure to be offered or given, directly, or indirectly, any money, property, or thing of value, or bribe in any other form whatsoever, to any person acting for or employed by any carrier by railroad subject to this part with intent to influence his decision or action, or because of his decision or action, with respect to the supply, distribution, or movement of cars or other vehicles, or vessels, used in the transportation of property. It shall be unlawful for any person acting for or employed by any carrier by railroad subject to this part to solicit, accept, or receive, directly or indirectly, any money, property, or thing of value, or bribe in any other form whatsoever, with intent to be influenced thereby in his decision or action, or because of his decision or action, with respect to the supply, distribution, or movement of cars or other vehicles, or vessels, used in the transportation of property. Any person who violates the provisions of this subparagraph shall be deemed guilty of a misdemeanor and be subject for each offense to a fine of not more than $1,000, or imprisonment in the penitentiary for a term of not more than 2 years, or both such fine and imprisonment.'

"(c) Paragraph (18) of such section 1 is amended by adding at the end thereof a new sentence as follows: 'Nothing in this paragraph or in section 5 shall be considered to prohibit the making of contracts between carriers by railroad subject to this part, without the approval of the Commission, for the joint ownership or joint use of spur, industrial, team, switching, or side tracks.'

"AMENDMENTS TO SECTION 3

"SEC. 5. (a) Paragraph (1) of section 3 of the Interstate Commerce Act, as amended (which prohibits the giving of undue or unreasonable preferences or advantages by carriers subject to part I), is amended to read as follows:

"'(1) It shall be unlawful for any common carrier subject to the provisions of this part to make, give, or cause any undue or unreasonable preference or advantage to any particular person, company, firm, corporation, association, locality, port, port district, gateway, transit point, region, district, territory, or any particular description of traffic, in any respect whatsoever; or to subject any particular person, company, firm, corporation, association, locality, port, port district, gateway, transit point, region, district, territory, or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever: *Provided, however,* That this paragraph shall not be construed to apply to discrimination, prejudice, or disadvantage to the traffic of any other carrier of whatever description.'

"(b) The Interstate Commerce Commission is authorized and directed to institute an investigation into the rates on manufactured products, agricultural commodities, and raw materials, between points in one classification territory and points in another such territory, and into like rates within any of such territories, maintained by common carriers by rail or water subject to part I of the Interstate Commerce Act, as amended, for the purpose of determining whether said rates are unjust and unreasonable or unlawful in any other respect in and of themselves or in their relation to each other, and to enter such orders as may be appropriate for the removal of any unlawfulness which may be found to exist: *Provided,*

That the Commission in its discretion may confine its investigation to such manufactured products, agricultural commodities, and raw materials, and the rates thereon as shippers thereof may specifically request be included in such investigation.

"(c) Paragraph (2) of such section 3 (which requires payment of charges prior to delivery of freight, and prescribes certain rules of liability for payment of charges), is amended by adding at the end the following sentences: 'On shipments reconsigned or diverted by an agent who has furnished the carrier in the reconsignment or diversion order with a notice of agency and the proper name and address of the beneficial owner, and where such shipments are refused or abandoned at ultimate destination, the said beneficial owner shall be liable for all legally applicable charges in connection therewith. If the reconsignor or diverter has given to the carrier erroneous information as to who the beneficial owner is, such reconsignor or diverter shall himself be liable for all such charges, and an action for the enforcement of his liability may be begun within the same period provided in the case of an action against a consignee who has given erroneous information as to the beneficial owner.'

"(d) Such section 3 is amended by adding after paragraph (2) thereof the following new paragraph:

"'(3) If a shipper or consignor of a shipment of property (other than a prepaid shipment) is also the consignee named in the bill of lading and, prior to the time of delivery, notifies, in writing, a delivering carrier by railroad or a delivering express company subject to the provisions of this part, (a) to deliver such property at destination to another party, (b) that such party is the beneficial owner of such property, and (c) that delivery is to be made to such party only upon payment of all transportation charges in respect of the transportation of such property, and delivery is made by the carrier to such party without such payment, such shipper or consignor shall not be liable (as shipper, consignor, consignee, or otherwise) for such transportation charges but the party to whom delivery is so made shall in any event be liable for transportation charges billed against the property at the time of such delivery, and also for any additional charges which may be found to be due after delivery of the property, except that if such party prior to such delivery has notified in writing the delivery carrier that he is not the beneficial owner of the property, and has given in writing to such delivering carrier the name and address of such beneficial owner, such party shall not be liable for any additional charges which may be found to be due after delivery of the property; but if the party to whom delivery is made has given to the carrier erroneous information as to the beneficial owner, such party shall nevertheless be liable for such additional charges. If the shipper or consignor has given to the delivering carrier erroneous information as to who the beneficial owner is, such shipper or consignor shall himself be liable for such transportation charges, notwithstanding the foregoing provisions of this paragraph and irrespective of any provisions to the contrary in the bill of lading or in the contract of transportation under which the shipment was made. An action for the enforcement of such liability either against the party to whom delivery is made or the shipper or consignor may be begun within the period provided in paragraph (3) of section 16, or before the expiration of six months after final judgment against the carrier in an action against either of such parties begun within the limitation period provided in paragraph (3) of section 16. The term "delivering carrier" means the line-haul carrier making ultimate delivery.'

"(e) Paragraph (3) of such section 3 (which relates to the affording of facilities for interchange of traffic), is amended by striking out '(3)' and substituting in lieu thereof '(4)' and is further amended to read as follows:

"'(4) All carriers subject to the provisions of this part shall, according to their respective powers, afford all reasonable, proper, and equal facilities for the interchange of traffic between their respective lines and connecting lines, and for the receiving, forwarding, and delivering of passengers or property to and from connecting lines; and shall not discriminate in their rates, fares, and charges between connecting lines, or unduly prejudice any connecting line in the distribution of traffic that is not specifically routed by the shipper. As used in this paragraph the term "connecting line" means the connecting line of any carrier subject to the provisions of this part or any common carrier by water subject to part III.'

"(f) Paragraph (4) of such section 3 (which relates to the Commission's power to require common use of terminals), is amended—

"(1) by striking out '(4)' and substituting in lieu thereof '(5)';

"(2) by striking out in the first sentence the words 'a carrier' and substituting in lieu thereof the words 'a common carrier by railroad';

"(3) by striking out in the first sentence the words 'any carrier, by another carrier or other carriers' and substituting in lieu thereof the words 'any common carrier by railroad, by another such carrier or other such carriers'; and

"(4) by adding after the words 'shall have power' in the first sentence the words 'by order.'"

"LONG AND SHORT HAUL PROVISIONS

"SEC. 6. (a) Paragraph (1) of section 4 of the Interstate Commerce Act, as amended, is amended to read as follows:

"'(1) It shall be unlawful for any common carrier subject to this part or part III to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this part or part III, but this shall not be construed as authorizing any common carrier within the terms of this part or part III to charge or receive as great compensation for a shorter as for a longer distance: *Provided*, That upon application to the Commission such common carrier may in special cases, after investigation, be authorized by the Commission to charge less for longer than for shorter distances for the transportation of passengers or property; and the Commission may from time to time prescribe the extent to which such designated common carrier may be relieved from the operation of this section, but in exercising the authority conferred upon it in this proviso the Commission shall not permit the establishment of any charge to or from the more distant point that is not reasonably compensatory for the service performed; and no such authorization shall be granted on account of merely potential water competition not actually in existence: *And provided further*, That tariffs proposing rates subject to the provisions of this paragraph may be filed when application is made to the Commission under the provisions hereof, and in the event such application is approved, the Commission shall permit such tariffs to become effective upon 1 day's notice.'"

"(b) In the case of a carrier heretofore subject to the provisions of paragraph (1) of section 4 of the Interstate Commerce Act, as amended, no rate, fare, or charge lawfully in effect at the time of the enactment of this Act shall be required to be changed by reason of the amendments made to such paragraph by subsection (a) of this section. In the case of a carrier not heretofore subject to the provisions of such paragraph, no rate, fare, or charge lawfully in effect at the time of the enactment of this Act shall be required to be changed, by reason of the provisions of such paragraph, as amended by subsection (a) of this section, prior to six months after the enactment of this Act, or in case application for the continuance of any such existing rate, fare, or charge is filed with the Interstate Commerce Commission within such six months period, until the Commission has acted upon such application.

"AMENDMENTS TO SECTION 6

"SEC. 7. (a) Paragraph (6) of section 6 of the Interstate Commerce Act, as amended (which relates to the Commission's authority with respect to schedules of carriers subject to part I), is amended to read as follows:

"'(6) The schedules required by this section to be filed shall be published, filed, and posted in such form and manner as the Commission by regulation shall prescribe; and the Commission is authorized to reject any schedule filed with it which is not in accordance with this section and with such regulations. Any schedule so rejected by the Commission shall be void and its use shall be unlawful.'

"(b) Paragraphs (11) and (12) of such section 6 (which require any common carrier subject to part I to furnish, on written request, a written statement of the rate applicable to a described shipment, and which require a common carrier by railroad to keep posted in every freight station the name of a resident agent), are hereby repealed.

"(c) Paragraph (13) of such section (which relates to the jurisdiction of the Commission as to through routes, joint rates, and other matters in connection with certain combination rail and water transportation), is further amended—

"(1) by striking out '(13)' and inserting in lieu thereof '(11)';

"(2) by repealing subparagraph (b) thereof;

"(3) by striking out '(c)' in subparagraph (c) thereof and inserting in lieu thereof '(b)'; and

"(4) by repealing subparagraph (d) thereof.

"(d) Such section 6 is further amended by inserting at the end thereof a new paragraph as follows:

"'(12) If any common carrier subject to this Act enters into arrangements with any water carrier operating from a port in the United States to a foreign country, through the Panama Canal or otherwise, for the handling of through business between interior points of the United States and such foreign country, the Commission may by order require such common carrier to enter into similar arrangements with any or all other lines of steamships operating from said port to the same foreign country.'

"AMENDMENTS TO SECTIONS 12 AND 13

"SEC. 8. (a) The provisions of paragraph (1) of section 12 of the Interstate Commerce Act, as amended, down to and including the second semicolon therein, are amended to read as follows:

"'(1) The Commission shall have authority, in order to perform the duties and carry out the objects for which it was created, to inquire into and report on the management of the business of all common carriers subject to the provisions of this part, and to inquire into and report on the management of the business of persons controlling, controlled by, or under a common control with, such carriers, to the extent that the business of such persons is related to the management of the business of one or more such carriers, and the Commission shall keep itself informed as to the manner and method in which the same are conducted. The Commission may obtain from such carriers and persons such information as the Commission deems necessary to carry out the provisions of this part; and may transmit to Congress from time to time such recommendations (including recommendations as to additional legislation) as the Commission may deem necessary. The Commission is hereby authorized and required to execute and enforce the provisions of this part;'.

"(b) Paragraph (2) of section 13 of such Act, as amended (which relates to investigations by the Commission upon complaint or upon its own motion), is amended by adding at the end thereof the fol-

lowing sentence: 'Representatives of State commissions sitting with the Commission, under the provisions of this section, in cases pending before the Commission, shall receive such allowances for travel and subsistence expense as the Commission shall provide.'

"(c) The last two sentences of paragraph (3) of such section 13 (which relates to the authority of the Commission to confer and cooperate with State authorities in certain cases) are amended by striking out the words 'this part' where they appear therein and inserting in lieu thereof 'this part or part III'.

"AMENDMENTS TO SECTIONS 15 AND 15A

"SEC. 9. (a) Paragraph (1) of section 15 of the Interstate Commerce Act, as amended (which relates to the Commission's power to prescribe just and reasonable rates for carriers subject to part I), is amended by striking out the following: 'or, in the case of a through route where one of the carriers is a water line, the maximum rates, fares, and charges applicable thereto)'.

"(b) Paragraphs (3) and (4) of such section 15 (which relate to the Commission's authority to establish through routes and joint rates, fares, and charges, and divisions of such rates, fares, and charges; and which impose certain limitations on the Commission's power to prescribe through routes) are amended to read as follows:

"'(3) The Commission may, and it shall whenever deemed by it to be necessary or desirable in the public interest, after full hearing upon complaint or upon its own initiative without complaint, establish through routes, joint classifications, and joint rates, fares, or charges, applicable to the transportation of passengers or property by carriers subject to this part, or by carriers by railroad subject to this part and common carriers by water subject to part III, or the maxima or minima, or maxima and minima, to be charged, and the divisions of such rates, fares, or charges as hereinafter provided, and the terms and conditions under which such through routes shall be operated. The Commission shall not, however, establish any through route, classification, or practice, or any rate, fare, or charge, between street electric passenger railways not engaged in the general business of transporting freight in addition to their passenger and express business, and railroads of a different character. If any tariff or schedule canceling any through route or joint rate, fare, charge, or classification, without the consent of all carriers parties thereto or authorization by the Commission, is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancelation to show that it is consistent with the public interest, without regard to the provisions of paragraph (4) of this section.

"'(4) In establishing any such through route the Commission shall not (except as provided in section 3, and except where one of the carriers is a water line) require any carrier by railroad, without its consent, to embrace in such route substantially less than the entire length of its railroad and of any intermediate railroad operated in conjunction and under a common management or control therewith, which lies between the termini of such proposed through route, (a) unless such inclusion of lines would make the through route unreasonably long as compared with another practicable through route which could otherwise be established, or (b) unless the Commission finds that the through route proposed to be established is needed in order to provide adequate, and more efficient or more economic, transportation: *Provided, however*, That in prescribing through routes the Commission shall, so far as is consistent with the public interest, and subject to the foregoing limitations in clauses (a) and (b), give reasonable preference to the carrier by railroad which originates the traffic. No through route and joint rates applicable thereto shall be established by the Commission for the purpose of assisting any carrier that would participate therein to meet its financial needs. In time of shortage of equipment, congestion of traffic, or other emergency declared by the Commission, it may (either upon complaint or upon its own initiative without complaint, at once, if it so orders, without answer or other formal pleadings by the interested carrier or carriers, and with or without notice, hearing, or the making or filing of a report, according as the Commission may determine) establish temporarily such through routes as in its opinion are necessary or desirable in the public interst.'

"(c) The last sentence of paragraph (7) of such section 15 is amended to read as follows:

"'At any hearing involving a change in a rate, fare, charge, or classification, or in a rule, regulation, or practice, after the date this amendatory provision takes effect, the burden of proof shall be upon the carrier to show that the proposed changed rate, fare, charge, classification, rule, regulation, or practice is just and reasonable, and the Commission shall give to the hearing and decision of such questions preference over all other questions pending before it and decide the same as speedily as possible.'

"(d) Paragraph (13) of such section 15 (which relates to allowances to owners of property for services rendered to carriers in connection with transportation) is amended by inserting after 'the charge and allowance therefore shall be', the following: 'published in tariffs or schedules filed in the manner provided in this part and shall be.'

"(e) Paragraph (2) of section 15a of the Interstate Commerce Act, as amended (which contains the rule of rate making for part I), is amended to read as follows:

"'(2) In the exercise of its power to prescribe just and reasonable rates the Commission shall give due consideration, among other factors, to the effect of rates on the movement of traffic by the carrier or carriers for which the rates are prescribed; to the need, in the public interest, of adequate and efficient railway transportation service at the lowest cost consistent with the furnishing of such service; and to the need of revenues sufficient to enable the carriers, under honest, economical, and efficient management, to provide such service.'

"AMENDMENTS TO SECTION 16

"SEC. 10. (a) Section 16 of the Interstate Commerce Act, as amended (which relates to orders of the Commission and enforcement thereof), is amended—

"(1) by striking out in paragraph (2) thereof the word 'circuit' before 'court' wherever it appears and substituting in lieu thereof the word 'district'; by striking out the word 'petition' in the first sentence and substituting in lieu thereof the word 'complaint'; by striking out the word 'petitioner' in the second and third sentences and substituting in lieu thereof the word 'plaintiff';

"(2) by striking out in paragraph (3) (a) thereof the words 'three years' and substituting in lieu thereof the words 'two years';

"(3) by striking out in paragraph (3) (c) thereof the words 'three years' and substituting in lieu thereof the words 'two years', and by striking out the word 'three-year' and substituting in lieu thereof the word 'two-year';

"(4) by striking out in paragraph (3) (d) thereof the word 'three-year' and substituting in lieu thereof the word 'two-year';

"(5) by striking out in paragraph (3) (f) thereof the word 'petition' and substituting in lieu thereof the word 'complaint'; and

"(6) by striking out in paragraph (12) thereof the words 'the Commerce Court' and substituting in lieu thereof the words 'any district court of the United States of competent jurisdiction' and by striking out the words 'that Court' and the words 'the Court' in the second sentence and substituting in lieu thereof the words 'such court'.

"(b) Paragraph (5) of such section 16 is amended by adding at the end thereof a new sentence as follows: 'In proceedings before the Commission involving the lawfulness of rates, fares, charges, classifications, or practices, service of notice upon an attorney in fact of a carrier who has filed a tariff or schedule in behalf of such carrier shall be deemed to be due and sufficient service upon the carrier, except where the carrier has designated an agent in the city of Washington, District of Columbia, upon whom service of notices and processes may be made, as provided in section 6 of the Act of June 18, 1910 (U. S. C., 1934 edition, title 49, sec. 50).'

"(c) The amendments made by subsection (a) of this section to paragraph (3) (a) and (c) of section 16 of the Interstate Commerce Act, as amended, shall apply only in the case of causes of action accruing after the date this section takes effect.

"COMMISSION PROCEDURE; DELEGATION OF DUTIES; REHEARINGS

"SEC. 11. Section 16a of the Interstate Commerce Act, as amended, is hereby repealed, and section 17 of such Act, as amended, is amended to read as follows:

"'SEC. 17. (1) The Commission is hereby authorized by its order to divide the members thereof into as many divisions (each to consist of not less than three members) as it may deem necessary, which may be changed from time to time. Such divisions shall be designated, respectively, division one, division two, and so forth, or by a term descriptive of the principal subject, work, business, or function assigned or referred to such divisions. The Commission may designate one or more of its divisions as appellate divisions. Any Commissioner may be assigned to such division or divisions as the Commission may direct, and the senior in service of the Commissioners constituting a division shall act as chairman thereof unless otherwise directed by the Commission. When a vacancy occurs in any division or when a Commissioner because of absence, or other cause, is unable to serve thereon, the Chairman of the Commission or any Commissioner designated by him for that purpose may serve temporarily on such division until the Commission otherwise orders.

"'(2) The Commission may by order direct that any of its work, business, or functions under any provision of law (except matters required to be referred to joint boards by section 205, and except functions vested in the Commission under this section), or any matter which shall have been or may be referred to it by Congress or by either branch thereof, be assigned or referred to any division, to an individual Commissioner, or to a board to be composed of three or more eligible employees of the Commission (hereinafter in this section called a "board") to be designated by such order, for action thereon, and the Commission may by order at any time amend, modify, supplement, or rescind any such assignment or reference. The following classes of employees shall be eligible for designation by the Commission to serve on such boards: examiners, directors or assistant directors of bureaus, chiefs of sections, and attorneys. The assignment or reference, to divisions, of work, business, or functions relating to the lawfulness of rates, fares, or charges shall be made according to the character of regulation to be exercised and not according to the kind or class of the carriers involved or to the form or mode of transportation in which such carriers may be engaged. When an individual Commissioner, or any employee, is unable to act upon any matter so assigned or referred because of absence or other cause, the Chairman of the Commission may designate another Commissioner or employee, as the case may be, to serve temporarily until the Commission otherwise orders.

"'(3) The Commission shall conduct its proceedings under any provision of law in such manner as will best conduce to the proper dispatch of business and to the ends of justice. The Commission shall have an official seal, which shall be judicially noticed. Any member of the Commission, the Secretary of the Commission, or any member of a board may administer oaths and affirmations and

any member of the Commission or the Secretary of the Commission (or any member of a board in connection with the performance of any work, business, or functions referred under this section to a board upon which he serves) may sign subpenas. A majority of the Commission, of a division, or of a board shall constitute a quorum for the transaction of business. The Commission may, from time to time, make or amend such general rules or orders as may be requisite for the order and regulation of proceedings before it, or before any division, individual Commissioner, or board, including forms of notices and the service thereof, which shall conform, as nearly as may be, to those in use in the courts of the United States. Any party may appear before the Commission or any division, individual Commissioner, or board and be heard in person or by attorney. Every vote and official act of the Commission, or of any division, individual Commissioner, or board, shall be entered of record, and such record shall be made public upon the request of any party interested. All hearings before the Commission, a division, individual Commissioner, or board shall be public upon the request of any party interested. No Commissioner or employee shall participate in any hearing or proceeding in which he shall have any pecuniary interest.

"'(4) A division, an individual Commissioner, or a board shall have authority to hear and determine, order, certify, report, or otherwise act as to any work, business, or functions assigned or referred thereto under the provisions of this section, and with respect thereto shall have all the jurisdiction and powers conferred by law upon the Commission, and be subject to the same duties and obligations. The secretary and seal of the Commission shall be the secretary and seal of each division, individual Commissioner, or board. Except as otherwise provided in this section, any order, decision, or requirement of a division, an individual Commissioner, or a board, with respect to any matter so assigned or referred, shall have the same force and effect, and may be made and evidenced in the same manner as if made or taken by the Commission.

"'(5) Any finding, report, or requirement of an individual Commissioner or board, with respect to any matter so assigned or referred involving the taking of testimony at a public hearing, shall be accompanied by a statement in writing of the reasons therefor, together with a recommended order, which shall be filed with the Commission. Copies thereof shall be served upon interested parties (including, in proceedings under part II, persons specified in section 205 (e)), who may file exceptions thereto, but if within twenty days after service upon such persons, or within such further period as the Commission or a duly designated division thereof may authorize, no exceptions shall have been filed, such recommended order shall become the order of the Commission and become effective unless within such period the order shall have been stayed or postponed by the Commission or by a duly designated division thereof. The Commission, or a duly designated division thereof, upon its own motion may, and where exceptions are filed it shall, reconsider the matter either upon the same record or after further hearing, and such recommended order shall thereupon be stayed or postponed pending final determination thereof.

"'(6) After a decision, order, or requirement shall have been made by the Commission, a division, an individual Commissioner, or a board, or after an order recommended by an individual Commissioner or a board shall have become the order of the Commission as provided in paragraph (5), any party thereto may at any time, subject to such limitations as may be established by the Commission as hereinafter authorized, make application for rehearing, reargument, or reconsideration of the same, or of any matter determined therein. Such applications shall be governed by such general rules as the Commission may establish. Any such application, if the decision, order, or requirement was made by the Commission, shall be considered and acted upon by the Commission. If the decision, order, or requirement was made by a division, an individual Commissioner, or a board, such application shall be considered and acted upon by the Commission or referred to an appropriate appellate division for consideration and action. Rehearing, reargument, or reconsideration may be granted if sufficient reason therefor be made to appear; but the Commission may, from time to time, make or amend general rules or orders establishing limitations upon the right to apply for rehearing, reargument, or reconsideration of a decision, order, or requirement of the Commission or of a division so as to confine such right to proceedings, or classes of proceedings, involving issues of general transportation importance. Notwithstanding the foregoing provisions of this paragraph, any application for rehearing, reargument, or reconsideration of a matter assigned or referred to an individual Commissioner or a board, under the provisions of paragraph (2), if such application shall have been filed within twenty days after the recommended order in the proceeding shall have become the order of the Commission as provided in paragraph (5), and if such matter shall not have been reconsidered or reheard as provided in such paragraph, shall be referred to an appropriate appellate division of the Commission and such division shall reconsider the matter either upon the same record or after a further hearing.

"'(7) If after rehearing, reargument, or reconsideration of a decision, order, or requirement of a division, an individual Commissioner, or board it shall appear that the original decision, order, or requirement is in any respect unjust or unwarranted, the Commission or appellate division may reverse, change, or modify the same accordingly. Any decision, order, or requirement made after rehearing, reargument, or reconsideration, reversing, changing, or modifying the original determination shall be subject to the same provisions with respect to rehearing, reargument, or reconsideration as an original order.

"'(8) Where application for rehearing, reargument, or reconsideration of a decision, order, or requirement of a division, an individual Commissioner, or board is made in accordance with the provisions of this section and the rules and regulations of the Commission, and the decision, order, or requirement has not yet become effective, the decision, order, or requirement shall be stayed or postponed pending disposition of the matter by the Commission or appellate division; but otherwise the making of such an application shall not excuse any person from complying with or obeying the decision, order, or requirement, or operate to stay or postpone the enforcement thereof, without the special order of the Commission.

"'(9) When an application for rehearing, reargument, or reconsideration of any decision, order, or requirement of a division, an individual Commissioner, or a board with respect to any matter assigned or referred to him or it shall have been made and shall have been denied, or after rehearing, reargument, or reconsideration otherwise disposed of, by the Commission or an appellate division, a suit to enforce, enjoin, suspend, or set aside such decision, order, or requirement, in whole or in part, may be brought in a court of the United States under those provisions of law applicable in the case of suits to enforce, enjoin, suspend, or set aside orders of the Commission, but not otherwise.

"'(10) Any matter arising in the administration of part II of this Act as to which a hearing is to be held may be referred to an examiner of the Commission, for action thereon, subject to the conditions and limitations provided in this section in the case of reference of work, business or functions, as to which a hearing is to be held, to an individual Commissioner or board.

"'(11) Representatives of employees of a carrier, duly designated as such, may intervene and be heard in any proceeding arising under this Act affecting such employees.

"'(12) The Commission is authorized to promulgate reasonable rules and regulations relating to admission to practice before it, and is authorized to impose a reasonable fee for such admission, and such fees shall be covered into the Treasury of the United States as miscellaneous receipts.'

"AMENDMENTS TO SECTION 20

"SEC. 12. (a) Paragraphs (1) to (8), inclusive, of section 20 of the Interstate Commerce Act, as amended (which relate to accounts, records, reports, etc., of carriers subject to part I), are amended to read as follows:

"'SEC. 20. (1) The Commission is hereby authorized to require annual, periodical, or special reports from carriers (as defined in this section) and from lessors (as defined in this section), to prescribe the manner and form in which such reports shall be made, and to require from such carriers and lessors specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers and lessors as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier or lessor in such form and detail as may be prescribed by the Commission.

"'(2) Said annual reports shall contain all the required information for the period of twelve months ending on the 31st day of December in each year, unless the Commission shall specify a different date, and shall be made out under oath and filed with the Commission at its office in Washington within three months after the close of the year for which the report is made, unless additional time be granted in any case by the Commission. Such periodical or special reports as may be required by the Commission under paragraph (1) hereof, shall also be under oath whenever the Commission so requires.

"'(3) The Commission may, in its discretion, for the purpose of enabling it the better to carry out the purposes of this part, prescribe a uniform system of accounts applicable to any class of carriers subject thereto, and a period of time within which such class shall have such uniform system of accounts, and the manner in which such accounts shall be kept.

"'(4) The Commission shall, as soon as practicable, prescribe for carriers the classes of property for which depreciation charges may properly be included under operating expenses, and the rate or rates of depreciation which shall be charged with respect to each of such classes of property, classifying the carriers as it may deem proper for this purpose. The Commission may, when it deems necessary, modify the classes and rates so prescribed. When the Commission shall have exercised its authority under the foregoing provisions of this paragraph, carriers shall not charge to operating expenses any depreciation charges on classes of property other than those prescribed by the Commission, or charge with respect to any class of property a rate of depreciation other than that prescribed therefor by the Commission, and no such carrier shall include under operating expenses any depreciation charge in any form whatsoever other than as prescribed by the Commission.

"'(5) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memoranda to be kept by carriers and their lessors, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of moneys, and it shall be unlawful for such carriers or lessors to keep any accounts, records, and memoranda contrary to any rules, regulations, or orders of the Commission with respect thereto. The Commission or any duly authorized special agent, accountant, or examiner thereof shall at all times have authority to inspect and copy any and all accounts, books, records, memoranda, correspondence, and other documents, of such carriers and lessors, and such accounts, books, records, memoranda,

correspondence, and other documents, of any person controlling, controlled by, or under common control with any such carrier, as the Commission deems relevant to such person's relation to or transactions with such carrier. The Commission or its duly authorized special agents, accountants, or examiners shall at all times have access to all lands, buildings, or equipment of such carriers or lessors, and shall have authority under its order to inspect and examine any and all such lands, buildings, and equipment. Such carriers, lessors, and other persons shall submit their accounts, books, records, memoranda, correspondence, and other documents for the inspection and copying authorized by this paragraph, and such carriers and lessors shall submit their lands, buildings, and equipment to inspection and examination, to any duly authorized special agent, accountant, or examiner of the Commission, upon demand and the display of proper credentials.

"'(6) The Commission or any duly authorized special agent, accountant, or examiner thereof shall at all times have authority to inspect and copy any and all accounts, books, records, memoranda, correspondence, and other documents, of persons which furnish cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company subject to this part: *Provided, however,* That such authority shall be limited to accounts, books, records, memoranda, correspondence, or other documents which pertain or relate to the cars or protective service so furnished. The Commission shall further have authority, in its discretion, to prescribe the forms of any or all accounts, records, and memoranda which it is authorized by this paragraph to inspect and copy, and to require the persons furnishing such cars or protective service, as aforesaid, to submit such reports and specific and full, true, and correct answers to such questions, relative to such cars or service, as the Commission may deem necessary. Persons furnishing such cars or protective service shall submit their accounts, books, records, memoranda, correspondence, or other documents, to the extent above provided, for inspection or copying to any duly authorized special agent, accountant, or examiner of the Commission upon demand and the display of proper credentials.

"'(7) (a) In case of failure or refusal on the part of any carrier, lessor, or other person to keep any accounts, records, and memoranda in the form and manner prescribed, under authority of this section, by the Commission, or to submit any accounts, books, records, memoranda, correspondence, or other documents to the Commission or any of its authorized agents, accountants, or examiners for inspection or copying, as required under this section, such carrier, lessor, or person shall forfeit to the United States not to exceed $500 for each such offense and for each day during which such failure or refusal continues.

"'(b) Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filed, or in the accounts of any book of accounts or in any records or memoranda kept by a carrier, or required under this section to be kept by a lessor or other person, or who shall knowingly and willfully destroy, mutilate, alter, or by any other means or device falsify the record of any such accounts, records, or memoranda, or who shall knowingly and willfully neglect or fail to make full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of the carrier, lessor, or person, or shall knowingly and willfully keep any accounts, records, or memoranda contrary to the rules, regulations, or orders of the Commission with respect thereto, or shall knowingly or willfully file with the Commission any false report or other document, shall be deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment: *Provided,* That the Commission may in its discretion issue orders specifying such operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents of such carriers, lessors, or other persons as may, after a reasonable time, be destroyed, and prescribing the length of time the same shall be preserved.

"'(c) Any carrier or lessor, or person furnishing cars or protective service, or any officer, agent, employee, or representative thereof, who shall fail to make and file an annual or other report with the Commission within the time fixed by the Commission, or to make specific and full, true, and correct answer to any question within thirty days from the time it is lawfully required by the Commission so to do, shall forfeit to the United States the sum of one hundred dollars for each and every day it shall continue to be in default with respect thereto.

"'(d) In case of failure or refusal on the part of any carrier or lessor to accord to the Commission or its duly authorized special agents, accountants, or examiners, access to, and opportunity for the inspection and examination of, any lands, buildings, or equipment of said carrier or lessor, as provided in this section, such carrier or lessor shall forfeit to the United States the sum of one hundred dollars for each day during which such failure or refusal continues.

"'(e) All forfeitures authorized in this paragraph (7) shall be recovered in the manner provided for the recovery of forfeitures under the provisions of this part.

"'(f) Any special agent, accountant, or examiner who knowingly and willfully divulges any fact or information which may come to his knowledge during the course of any examination or inspection made under authority of this section, except insofar as he may be directed by the Commission or by a court or judge thereof, shall be guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not more than $500 or imprisonment for not exceeding six months, or both.

"'(8) As used in this section the words "keep" and "kept" shall be construed to mean made, prepared, or compiled, as well as retained; the term "carrier" means a common carrier subject to this part, and includes a receiver or trustee of such carrier; and and the term "lessor" means a person owning a railroad, a water line, or a pipe line, leased to and operated by a common carrier subject to this part, and includes a receiver or trustee of such lessor.'

"(b) Paragraph (11) of such section 20 (which relates to liability of carriers for loss of property), is amended by striking out the first proviso contained therein and inserting in lieu thereof the following: '*Provided,* That if the loss, damage, or injury occurs while the property is in the custody of a carrier by water the liability of such carrier shall be determined by the bill of lading of the carrier by water and by and under the laws and regulations applicable to transportation by water, and the liability of the initial or delivering carrier shall be the same as that of such carrier by water:'.

"AMENDMENTS TO SECTIONS 25, 26, AND 27

"SEC. 13. (a) Section 25 of the Interstate Commerce Act, as amended, is hereby repealed.

"(b) Section 26 of the Interstate Commerce Act, as amended, is amended by striking out '26' and inserting in lieu thereof '25'.

"(c) Section 27 of the Interstate Commerce Act, as amended, is amended to read as follows:

"'SEC. 26. This part may be cited as part I of the Interstate Commerce Act.'

"SHORT TITLE FOR PART II

"SEC. 14. Section 201 of the Interstate Commerce Act, as amended, is amended to read as follows:

"'SHORT TITLE

"'SEC. 201. This part may be cited as part II of the Interstate Commerce Act.'

"REFERENCES TO POLICY DECLARED IN PART II

"SEC. 15. Part II of the Interstate Commerce Act, as amended, is amended by striking out the following wherever appearing therein: 'the policy declared in section 202 (a) of this part', and 'the policy of Congress enunciated in section 202', and by inserting in lieu thereof the following: 'the national transportation policy declared in this Act'.

"AMENDMENTS TO SECTION 202

"SEC. 16. (a) Section 202 of the Interstate Commerce Act, as amended (which relates to the scope of the application of part II), is amended—

"(1) by striking out the heading thereof, 'DECLARATION OF POLICY AND DELEGATION OF JURISDICTION', and inserting in lieu thereof a new heading as follows: 'APPLICATION OF PROVISIONS'; and

"(2) by repealing subsection (a) of such section, by striking out '(b)' and inserting in lieu thereof '(a)', and by striking out '(c)' and inserting in lieu thereof '(b)'.

"(b) Such section 202 is amended by adding at the end thereof a new subsection as follows:

"'(c) Notwithstanding any provision of this section or of section 203, the provisions of this part shall not apply—

"'(1) to transportation by motor vehicle by a carrier by railroad subject to part I or by a water carrier subject to part III, incidental to transportation subject to such parts, in the performance within terminal areas of transfer, collection, or delivery services; but such transportation shall be considered to be and shall be regulated as transportation subject to part I when performed by such carrier by railroad, and transportation subject to part III when performed by such water carrier.

"'(2) to transportation by motor vehicle by any person (whether as agent or under a contractual arrangement) for a common carrier by railroad subject to part I, an express company subject to part I, a motor carrier subject to this part, or a water carrier subject to part III, in the performance within terminal areas of transfer, collection, or delivery services; but such transportation shall be considered to be performed by such carrier or express company as part of, and shall be regulated in the same manner as, the transportation by railroad, express, motor vehicle, or water to which such services are incidental.'

"AMENDMENTS TO SECTION 203

"SEC. 17. (a) Paragraphs (14) and (15) of subsection (a) of section 203 of the Interstate Commerce Act, as amended, are amended to read as follows:

"'(14) The term "common carrier by motor vehicle" means any person which holds itself out to the general public to engage in the transportation by motor vehicle in interstate or foreign commerce of passengers or property or any class or classes thereof for compensation, whether over regular or irregular routes, except transportation by motor vehicle by an express company to the extent that such transportation has heretofore been subject to part I, to which extent such transportation shall continue to be considered to be and shall be regulated as transportation subject to part I.

"'(15) The term "contract carrier by motor vehicle" means any person which, under individual contracts or agreements, engages in the transportation (other than transportation referred

to in paragraph (14) and the exception therein) by motor vehicle of passengers or property in interstate or foreign commerce for compensation.'

"(b) Section 203 of the Interstate Commerce Act, as amended, is further amended—

"(1) by striking out the period at the end of paragraph 13 of subsection (a) and substituting in lieu thereof a comma and the following: 'or a trolley bus operated by electric power derived from a fixed overhead wire, furnishing local passenger transportation similar to street-railway service.'

"(2) by striking out clause (5) of subsection (b) of said section.

"(3) by amending clause (4a) of such subsection (b) to read as follows: '(4a) motor vehicles controlled and operated by any farmer when used in the transportation of his agricultural commodities and products thereof, or in the transportation of supplies to his farm; or'.

"(4) by amending clause (4b) of such subsection (b) to read as follows: '(5) motor vehicles controlled and operated by a cooperative association as defined in the Agricultural Marketing Act, approved June 15, 1929, as amended, or by a federation of such cooperative associations, if such federation possesses no greater powers or purposes than cooperative associations so defined; or'.

"(5) by inserting in clause (6) of such subsection (b) the word 'ordinary' before the word 'livestock'.

"(6) by amending clause (9) of subsection (b) to read as follows:

"'(9) the casual, occasional, or reciprocal transportation of passengers or property by motor vehicle in interstate or foreign commerce for compensation by any person not engaged in transportation by motor vehicle as a regular occupation or business, unless, in the case of transportation of passengers, such transportation is sold or offered for sale, or provided or procured or furnished or arranged for, by a broker, or by any other person who sells or offers for sale transportation furnished by a person lawfully engaged in the transportation of passengers by motor vehicle under a certificate or permit issued under this part or under a pending application for such a certificate or permit.'

"EXEMPTION OF CERTAIN INTERSTATE AND FOREIGN COMMERCE OPERATIONS OF MOTOR CARRIERS

"SEC. 18. Subsection (a) of section 204 of the Interstate Commerce Act, as amended, is amended by adding after subparagraph (4) thereof the following new subparagraph:

"'(4a) To determine, upon its own motion, or upon application by a motor carrier, a State board, or any other party in interest, whether the transportation in interstate or foreign commerce performed by any motor carrier or class of motor carriers lawfully engaged in operation solely within a single State is in fact of such nature, character, or quantity as not substantially to affect or impair uniform regulation by the Commission of transportation by motor carriers engaged in interstate or foreign commerce in effectuating the national transportation policy declared in this Act. Upon so finding, the Commission shall issue a certificate of exemption to such motor carrier or class of motor carriers which, during the period such certificate shall remain effective and unrevoked, shall exempt such carrier or class of motor carriers from compliance with the provisions of this part, and shall attach to such certificate such reasonable terms and conditions as the public interest may require. At any time after the issuance of any such certificate of exemption, the Commission may by order revoke all or any part thereof, if it shall find that the transportation in interstate or foreign commerce performed by the carrier or class of carriers designated in such certificate shall be, or shall have become, or is reasonably likely to become, of such nature, character, or quantity as in fact substantially to affect or impair uniform regulation by the Commission of interstate or foreign transportation by motor carriers in effectuating the national transportation policy declared in this Act. Upon revocation of any such certificate, the Commission shall restore to the carrier or carriers affected thereby, without further proceedings, the authority, if any, to operate in interstate or foreign commerce held by such carrier or carriers at the time the certificate of exemption pertaining to such carrier or carriers became effective. No certificate of exemption shall be denied, and no order of revocation shall be issued, under this subparagraph, except after reasonable opportunity for hearing to interested parties. Where an application is made in good faith for the exemption of a motor carrier under this subparagraph, accompanied by a certificate of a State board of the State in which the operations of such carrier are carried on stating that in the opinion of such board such carrier is entitled to a certificate of exemption under this subparagraph, such carrier shall be exempt from the provisions of this part beginning with the sixtieth day following the making of such application to the Commission unless prior to such time the Commission shall have by order denied such application, and such exemption shall be effective until such time as the Commission, after such sixtieth day, may by order deny such application or may by order revoke all or any part thereof as hereinbefore authorized. In any case where a motor carrier has become exempt from the provisions of this part as provided in this subparagraph, it shall not be considered to be a burden on interstate or foreign commerce for a State to regulate such carrier with respect to the operations covered by such exemption. Applications under this subparagraph shall be made in writing to the Commission, verified under oath, and shall be in such form and contain such information as the Commission shall by regulations require.'

"AMENDMENTS TO SECTIONS 204, 205, AND 206

"SEC. 19. (a) Paragraph (7) of subsection (a) of section 204 of the Interstate Commerce Act, as amended, is amended to read as follows:

"'(7) For purposes of the administration of the provisions of this part, to inquire into the management of the business of motor carriers and brokers, and into the management of the business of persons controlling, controlled by, or under common control with, motor carriers to the extent that the business of such persons is related to the management of the business of one or more motor carriers, and the Commission shall keep itself informed as to the manner and method in which the same are conducted, and may obtain from such carriers and persons such information as the Commission deems necessary to carry out the provisions of this part; and may transmit to Congress from time to time, such recommendations (including recommendations as to additional legislation) as the Commission may deem necessary.'

"(b) Such section 204 is further amended—

"(1) by repealing subsection (b) thereof (which relates to codes of fair competition under the National Industrial Recovery Act);

"(2) by repealing subsection (e) thereof (which relates to rehearing by the Commission on matters arising under part II);

"(3) by relettering subsections (c), (d), and (f) as (b), (c), and (d), respectively; and

"(4) by striking out in subsection (a) (3) thereof '204 (d) and (e)' and inserting in lieu thereof '204 (c) and 17'.

"(c) Section 205 of such Act, as amended, is amended—

"(1) by repealing subsection (a) thereof (which relates to procedure in connection with recommended orders under part II);

"(2) by striking out in the remaining subsections thereof the letters '(b)', '(c)', '(d)', '(e)', '(f)', '(g)', '(h)', '(i)', '(j)', and '(k)', and inserting in lieu thereof '(a)', '(b)', '(c)', '(d)', '(e)', '(f)', '(g)', '(h)', '(i)', and '(j)', respectively;

"(3) by striking out in the new subsection (a) thereof the words 'paragraph (a) of this section' in the first proviso and substituting in lieu thereof the following: 'section 17';

"(4) by striking out in the new subsection (a) thereof the words 'this section' in the third proviso, and substituting in lieu thereof the following: 'section 17';

"(5) by striking out in the new subsection (b) thereof the words 'paragraph (a) of this section' in the second sentence and substituting in lieu thereof the following: 'section 17'.

"(d) The new subsection (b) of such section 205 (which relates to the creation, procedure, and powers of joint boards), is amended by inserting after the eighth sentence thereof a new sentence as follows: 'The failure of a duly appointed member of a joint board to participate in any hearing on a matter referred to such joint board, after notice thereof, shall be considered to constitute, as to the matter referred, a waiver of action on the part of the State from which such member was appointed.'

"(e) Subsection (a) of section 206 of such Act, as amended (which relates to the issuance of certificates to common carriers by motor vehicle), is amended by inserting after the words 'during the season ordinarily covered by its operation', which appear in the first sentence of such subsection, the following: 'and has so operated since that time'.

"AMENDMENTS TO SECTIONS 210, 210A, AND 212

"SEC. 20. (a) Section 210 of the Interstate Commerce Act, as amended, is amended to read as follows:

"'DUAL OPERATIONS

"'SEC. 210. Unless, for good cause shown, the Commission shall find, or shall have found, that both a certificate and a permit may be so held consistently with the public interest and with the national transportation policy declared in this Act—

"'(1) no person, or any person controlling, controlled by, or under common control with such person, shall hold a certificate as a common carrier authorizing operation for the transportation of property by motor vehicle over a route or within a territory, if such person, or any such controlling person, controlled person, or person under common control, holds a permit as a contract carrier authorizing operation for the transportation of property by motor vehicle over the same route or within the same territory; and

"'(2) no person, or any person controlling, controlled by, or under common control with such person, shall hold a permit as a contract carrier authorizing operation for the transportation of property by motor vehicle over a route or within a territory, if such person, or any such controlling person, controlled person, or person under common control, holds a certificate as a common carrier authorizing operation for the transportation of property by motor vehicle over the same route or within the same territory.'

"(b) Subsection (a) of section 212 of such Act, as amended (which relates to suspension, change, revocation, and transfer of certificates, permits, and licenses), is amended by striking out in the first proviso 'section 204 (d)' and inserting in lieu thereof 'section 204 (c)'.

"AMENDMENTS TO SECTIONS 216 AND 217

"SEC. 21. (a) Subsection (d) of section 216 of the Interstate Commerce Act, as amended (which prohibits the giving of undue preferences or advantages by common carriers by motor vehicle), is amended to read as follows:

"'(d) All charges made for any service rendered or to be rendered by any common carrier by motor vehicle engaged in interstate or foreign commerce in the transportation of passengers or property as aforesaid or in connection therewith shall be just and rea-

sonable, and every unjust and unreasonable charge for such service or any part thereof, is prohibited and declared to be unlawful. It shall be unlawful for any common carrier by motor vehicle engaged in interstate or foreign commerce to make, give, or cause any undue or unreasonable preference or advantage to any particular person, port, gateway, locality, region, district, territory, or description of traffic, in any respect whatsoever; or to subject any particular person, port, gateway, locality, region, district, territory, or description of traffic to any unjust discrimination or any undue or unreasonable prejudice or disadvantage in any respect whatsoever: *Provided, however*, That this subsection shall not be construed to apply to discriminations, prejudice, or disadvantage to the traffic of any other carrier of whatever description.'

"(b) Subsection (g) of such section 216 (which relates to investigations by the Commission as to lawfulness of proposed new rates involving common carriers by motor vehicle, and the suspension of such rates), is amended—

"(1) by inserting before the words 'suspend the operation of such schedule', in the first sentence thereof, the words 'from time to time'.

"(2) by striking out in the first sentence thereof the words 'for a period of ninety days and if the proceeding has not been concluded and a final order made within such period the Commission may, from time to time, extend the period of suspension by order, but not for a longer period in the aggregate than one hundred and eighty days' and substituting in lieu thereof the words 'but not for a longer period than seven months'.

"(3) by amending the second sentence in the proviso therein to read as follows: 'At any hearing involving a change in a rate, fare, charge, or classification, or in a rule, regulation, or practice, the burden of proof shall be upon the carrier to show that the proposed changed rate, fare, charge, classification, rule, regulation, or practice is just and reasonable.'

"(c) Subsection (i) of such section 216 (which contains the rule of rate making for part II), is amended to read as follows:

"'(i) In the exercise of its power to prescribe just and reasonable rates, fares, and charges for the transportation of passengers or property by common carriers by motor vehicle, and classifications, regulations, and practices relating thereto, the Commission shall give due consideration, among other factors, to the inherent advantages of transportation by such carriers; to the effect of rates upon the movement of traffic by the carrier or carriers for which the rates are prescribed; to the need, in the public interest, of adequate and efficient transportation service by such carriers at the lowest cost consistent with the furnishing of such service; and to the need of revenues sufficient to enable such carriers, under honest, economical, and efficient management, to provide such service.'

"(d) The proviso in subsection (b) of section 217 of the Interstate Commerce Act, as amended, is amended by striking out '22 (1)' and inserting in lieu thereof '22'.

"AMENDMENTS TO SECTION 218

"SEC. 22. (a) Subsection (a) of section 218 of the Interstate Commerce Act, as amended, is amended—

"(1) by striking out the first sentence thereof (which relates to the duty of contract carriers by motor vehicle to file schedules and contracts including minimum rates, etc.) and substituting in lieu thereof two new sentences as follows: 'It shall be the duty of every contract carrier by motor vehicle to establish and observe reasonable minimum rates and charges for any service rendered or to be rendered in the transportation of passengers or property or in connection therewith, and to establish and observe reasonable regulations and practices to be applied in connection with said reasonable minimum rates, fares, and charges. It shall be the duty of every contract carrier by motor vehicle to file with the Commission, publish, and keep open for public inspection, in the form and manner prescribed by the Commission, schedules containing the minimum rates or charges of such carrier actually maintained and charged for the transportation of passengers or property in interstate or foreign commerce, and any rule, regulation, or practice affecting such rates or charges and the value of the service thereunder.'

"(2) By striking out, in the third sentence thereof, the words 'or copies of contracts'.

"(b) Subsection (b) of such section 218 (which relates to the Commission's authority to prescribe minimum charges of contract carriers by motor vehicle), is amended to read as follows:

"'(b) Whenever, after hearing, upon complaint or upon its own initiative, the Commission finds that any minimum rate or charge of any contract carrier by motor vehicle, or any rule, regulation, or practice of any such carrier affecting such minimum rate or charge, or the value of the service thereunder, for the transportation of passengers or property or in connection therewith, contravenes the national transportation policy declared in this Act, or is in contravention of any provision of this part, the Commission may prescribe such just and reasonable minimum rate or charge, or such rule, regulation, or practice as in its judgment may be necessary or desirable in the public interest and to promote such policy and will not be in contravention of any provision of this part. Such minimum rate or charge, or such rule, regulation, or practice, so prescribed by the Commission, shall give no advantage or preference to any such carrier in competition with any common carrier by motor vehicle subject to this part, which the Commission may find to be undue or inconsistent with the public interest and the national transportation policy declared in this Act, and the Commission shall give due consideration to the cost of the services rendered by such carriers, and to the effect of such minimum rate or charge, or such rule, regulation, or practice, upon the movement of traffic by such carriers. All complaints shall state fully the facts complained of and the reasons for such complaint and shall be made under oath.'

"(c) Subsection (c) of such section 218 (which relates to inquiries as to the lawfulness of reductions in charges of contract carriers by motor vehicle, and suspension of such charges) is amended to read as follows:

"'(c) Whenever there shall be filed with the Commission by any such contract carrier any schedule stating a charge for a new service or a reduced charge directly, or by means of any rule, regulation, or practice, for the transportation of passengers or property in interstate or foreign commerce, the Commission is hereby authorized and empowered upon complaint of interested parties or upon its own initiative at once and, if it so orders, without answer or other formal pleading by the interested party, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such charge, or such rule, regulation, or practice, and pending such hearing and the decision thereon the Commission, by filing with such schedule and delivering to the carrier affected thereby a statement in writing of its reasons for such suspension, may from time to time suspend the operation of such schedule and defer the use of such charge, or such rule, regulation, or practice, but not for a longer period than seven months beyond the time when it would otherwise go into effect; and after hearing, whether completed before or after the charge, or rule, regulation, or practice goes into effect, the Commission may make such order with reference thereto as would be proper in a proceeding instituted after it had become effective. If the proceeding has not been concluded and an order made within the period of suspension, the proposed change in any charge or rule, regulation, or practice shall go into effect at the end of such period: *Provided*, That this paragraph shall not apply to any initial schedule or schedules filed on or before July 31, 1938, by any such carrier in bona fide operation when this section takes effect. The rule as to burden of proof specified in section 216 (g) shall apply to this paragraph.'

"ACCOUNTS, RECORDS, AND REPORTS OF MOTOR CARRIERS

"SEC. 23. Section 220 of the Interstate Commerce Act, as amended, is amended to read as follows:

"'SEC. 220. (a) The Commission is hereby authorized to require annual, periodical, or special reports from all motor carriers, brokers, and lessors (as defined in this section), to prescribe the manner and form in which such reports shall be made, and to require from such carriers, brokers, and lessors specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary. Such annual reports shall give an account of the affairs of the carrier, broker, or lessor in such form and detail as may be prescribed by the Commission. The Commission may also require any motor carrier or broker to file with it a true copy of any contract, agreement, or arrangement between such carrier and any other carrier or person in relation to any traffic affected by the provisions of this part. The Commission shall not, however, make public any contract, agreement, or arrangement between a contract carrier by motor vehicle and a shipper, or any of the terms or conditions thereof, except as a part of the record in a formal proceeding where it considers such action consistent with the public interest: *Provided*, That if it appears from an examination of any such contract that it fails to conform to the published schedule of the contract carrier by motor vehicle as required by section 218 (a), the Commission may, in its discretion, make public such of the provisions of the contract as the Commission considers necessary to disclose such failure and the extent thereof.

"'(b) Said annual reports shall contain all the required information for the period of 12 months ending on the 31st day of December in each year, unless the Commission shall specify a different date, and shall be made out under oath and filed with the Commission at its office in Washington within 3 months after the close of the year for which the report is made, unless additional time be granted in any case by the Commission. Such periodical or special reports as may be required by the Commission under subsection (a) hereof shall also be under oath, whenever the Commission so requires.

"'(c) The Commission may prescribe for motor carriers the classes of property for which depreciation charges may properly be included under operating expenses, and the rate or rates of depreciation which shall be charged with respect to each of such classes of property, classifying the carriers as it may deem proper for this purpose. The Commission may, when it deems necessary, modify the classes and rates so prescribed. When the Commission shall have exercised its authority under the foregoing provisions of this subsection, motor carriers shall not charge to operating expenses any depreciation charges on classes of property other than those prescribed by the Commission, or charge with respect to any class of property a rate of depreciation other than that prescribed therefor by the Commission, and no such carrier shall include under operating expenses any depreciation charge in any form whatsoever other than as prescribed by the Commission.

"'(d) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memoranda to be kept by motor carriers, brokers, and lessors, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of moneys; and it shall be unlawful for such carriers, brokers, and lessors to keep any accounts, records, and memoranda contrary to any rules, regulations, or orders of the Commission with respect thereto. The Commission may issue orders specifying such operating, accounting, or financial

papers, records, books, blanks, tickets, stubs, correspondence, or documents of motor carriers, brokers, or lessors as may after a reasonable time be destroyed, and prescribing the length of time the same shall be preserved. The Commission or its duly authorized special agents, accountants, or examiners shall at all times have access to and authority, under its order, to inspect and examine any and all lands, buildings, or equipment of motor carriers, brokers and lessors; and shall have authority to inspect and copy any and all accounts, books, records, memoranda, correspondence, and other documents of such carriers, brokers, and lessors, and such accounts, books, records, memoranda, correspondence, and other documents of any person controlling, controlled by, or under common control with any such carrier, as the Commission deems relevant to such person's relation to or transactions with such carrier. Motor carriers, brokers, lessors, and persons shall submit their accounts, books, records, memoranda, correspondence, and other documents for the inspection and copying authorized by this paragraph, and motor carriers, brokers, and lessors shall submit their lands, buildings, and equipment for examination and inspection, to any duly authorized special agent, accountant, or examiner of the Commission upon demand and the display of proper credentials.

"'(e) As used in this section, the words "keep" and "kept" shall be construed to mean made, prepared, or compiled, as well as retained; the term "lessor" means a lessor of any right to operate as a motor carrier; and the term "motor carrier," "broker," or "lessor" includes a receiver or trustee of any such motor carrier, broker, or lessor.

"'(f) No report by any motor carrier of any accident arising in the course of the operations of such carrier, made pursuant to any requirement of the Commission, and no report by the Commission of any investigation of any such accident, shall be admitted as evidence, or used for any other purpose, in any suit or action for damages growing out of any matter mentioned in such report or investigation.'

"AMENDMENTS TO SECTIONS 221 AND 222

"SEC. 24. (a) Subsection (a) of section 221 of the Interstate Commerce Act, as amended (which relates to the designation of an agent to receive service, and the making of service), is amended by adding at the end thereof a new sentence as follows: 'In proceedings before the Commission involving the lawfulness of rates, fares, charges, classifications, or practices, service of notice upon an attorney in fact of a carrier who has filed a tariff or schedule in behalf of such carrier shall be deemed to be due and sufficient service upon the carrier.'

"(b) Subsection (b) of such section 221 (which relates to the time of taking effect of orders of the Commission under part II) is amended by inserting after the words 'within such reasonable time' a comma and the following: 'not less than thirty days,'.

"(c) Subsection (d) of section 222 of such Act, as amended (which imposes penalties for unlawful disclosure of information by a special agent or examiner), is amended to read as follows:

"'(d) Any special agent, accountant, or examiner who knowingly and willfully divulges any fact or information which may come to his knowledge during the course of any examination or inspection made under authority of section 220, except as he may be directed by the Commission or by a court or judge thereof, shall be guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not more than $500 or imprisonment for not exceeding six months, or both.'

"(d) Subsection (g) of such section 222 (which imposes penalties for failure or refusal to make reports, keep accounts, and so forth) is amended to read as follows:

"'(g) Any motor carrier, broker, or other person, or any officer, agent, employee, or representative thereof, who shall willfully fail or refuse to make a report to the Commission as required by this part, or to make specific and full, true, and correct answer to any question within thirty days from the time it is lawfully required by the Commission so to do, or to keep accounts, records, and memoranda in the form and manner prescribed by the Commission, or shall knowingly and willfully falsify, destroy, mutilate, or alter any such report, account, record, or memorandum, or shall knowingly and willfully file with the Commission any false report, account, record, or memorandum, or shall knowingly and willfully neglect or fail to make full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of the carrier, or person required under this part to keep the same, or shall knowingly and willfully keep any accounts, records, or memoranda contrary to the rules, regulations, or orders of the Commission with respect thereto, shall be deemed guilty of a misdemeanor and upon conviction thereof be subject for each offense to a fine of not more than $5,000. As used in this subsection, the words "keep" and "kept" shall be construed to mean made, prepared, or compiled, as well as retained.'"

"NEW SECTION RELATING TO ALLOWANCES TO SHIPPERS

"SEC. 25. (a) Part II of the Interstate Commerce Act, as amended, is amended by adding after section 224 the following new section:

"'ALLOWANCES TO SHIPPERS FOR TRANSPORTATION SERVICES

"'SEC. 225. If the owner of property transported under this part directly or indirectly renders any service connected with such transportation, or furnishes any instrumentality used therein, the charge and allowance therefor shall be published in tariffs or schedules filed in the manner provided in this part and shall be no more than is just and reasonable; and the Commission may, after hearing on a complaint or on its own initiative, determine what is a reasonable charge as the maximum to be paid by the carrier or carriers for the services so rendered or for the use of the instrumentality so furnished, and fix the same by appropriate order.'

"(b) Sections 225, 226, and 227 of such Act, as amended, are amended by renumbering such sections as 226, 227, and 228, respectively, and such section renumbered as 228 is further amended by striking out '(a)'.

"INVESTIGATION OF NEED FOR REGULATING SIZES AND WEIGHT OF MOTOR VEHICLES

"SEC. 26. The Interstate Commerce Commission is authorized and directed to expedite the investigation of the need for Federal regulation of the sizes and weight of motor vehicles, authorized by section 226 of the Interstate Commerce Act, as amended, and to report to Congress thereon at the earliest practicable date.

"TITLE II—REGULATION OF WATER CARRIERS IN INTERSTATE AND FOREIGN COMMERCE

"PART III OF INTERSTATE COMMERCE ACT

"SEC. 201. The Interstate Commerce Act, as amended, is further amended by adding after part II thereof the following part III:

"'PART III

"'SHORT TITLE

"'SEC. 301. This part, divided into sections according to the following table of contents, may be cited as part III of the Interstate Commerce Act:

"'TABLE OF CONTENTS

"'Sec. 301. Short title.
"'Sec. 302. Definitions.
"'Sec. 303. Application of provisions; exemptions.
"'Sec. 304. General powers and duties of the Commission.
"'Sec. 305. Rates, fares, charges, and practices; through routes.
"'Sec. 306. Tariffs and schedules.
"'Sec. 307. Commission's authority over rates, and so forth.
"'Sec. 308. Reparation awards; limitation of actions.
"'Sec. 309. Certificates of public convenience and necessity and permits.
"'Sec. 310. Dual operations under certificates and permits.
"'Sec. 311. Temporary operations.
"'Sec. 312. Transfer of certificates and permits.
"'Sec. 313. Accounts, records, and reports.
"'Sec. 314. Allowances to shippers for transportation services.
"'Sec. 315. Notices, orders, and service of process.
"'Sec. 316. Enforcement and procedure.
"'Sec. 317. Unlawful acts and penalties.
"'Sec. 318. Collection of rates and charges.
"'Sec. 319. Employees.
"'Sec. 320. Repeals.
"'Sec. 321. Transfer of employees, records, property, and appropriations.
"'Sec. 322. Existing orders, rules, tariffs, and so forth; pending matters.
"'Sec. 323. Separability of provisions.

"'DEFINITIONS

"'SEC. 302. For the purposes of this part—

"'(a) The term "person" includes any individual, firm, copartnership, corporation, company, association, joint stock association, and any trustee, receiver, assignee, or personal representative thereof.

"'(b) The term "Commission" means the Interstate Commerce Commission.

"'(c) The term "water carrier" means a common carrier by water or a contract carrier by water.

"'(d) The term "common carrier by water" means any person which holds itself out to the general public to engage in the transportation by water in interstate or foreign commerce of passengers or property or any class or classes thereof for compensation, except transportation by water by an express company subject to part I in the conduct of its express business, which shall be considered to be and shall be regulated as transportation subject to part I.

"'(e) The term "contract carrier by water" means any person which, under individual contracts or agreements, engages in the transportation (other than transportation referred to in paragraph (d) and the exception therein) by water of passengers or property in interstate or foreign commerce for compensation.

The furnishing for compensation (under a charter, lease, or other agreement) of a vessel, to a person other than a carrier subject to this Act, to be used by the person to whom such vessel is furnished in the transportation of its own property, shall be considered to constitute, as to the vessel so furnished, engaging in transportation for compensation by the person furnishing such vessel, within the meaning of the foregoing definition of "contract carrier by water." Whenever the Commission, upon its own motion or upon application of any interested party, determines that the application of the preceding sentence to any person or class of persons is not necessary in order to effectuate the national transportation policy declared in this Act, it shall by order exempt such person or class of persons from the provisions of this part for such period of time as may be specified in such order. The Commission may by order revoke any such exemption whenever it shall find that the application of such sentence to the exempted person or class of persons is necessary in

order to effectuate such national transportation policy. No such exemption shall be denied or revoked except after reasonable opportunity for hearing.

"'(f) The term "vessel" means any watercraft or other artificial contrivance of whatever description which is used, or is capable of being, or is intended to be, used as a means of transportation by water.

"'(g) The term "transportation facility" includes any vessel, warehouse, wharf, pier, dock, yard, grounds, or any other instrumentality or equipment of any kind, used in or in connection with transportation by water subject to this part.

"'(h) The term "transportation" includes the use of any transportation facility (irrespective of ownership or of any contract, express or implied, for such use), and includes any and all services in or in connection with transportation, including the receipt, delivery, elevation, transfer in transit, refrigeration or icing, ventilation, storage, and handling of property transported or the interchange thereof with any other agency of transportation.

"'(i) The term "interstate or foreign transportation" or "transportation in interstate or foreign commerce," as used in this part, means transportation of persons or property—

"'(1) wholly by water from a place in a State to a place in any other State, whether or not such transportation takes place wholly in the United States;

"'(2) partly by water and partly by railroad or motor vehicle, from a place in a State to a place in any other State; except that with respect to such transportation taking place partly in the United States and partly outside thereof, such terms shall include transportation by railroad or motor vehicle only insofar as it takes place within the United States, and shall include transportation by water only insofar as it takes place from a place in the United States to another place in the United States;

"'(3) wholly by water, or partly by water and partly by railroad or motor vehicle, from or to a place in the United States to or from a place outside the United States, but only (A) insofar as such transportation by rail or by motor vehicle takes place within the United States, and (B) in the case of a movement to a place outside the United States, only insofar as such transportation by water takes place from any place in the United States to any other place therein prior to transshipment at a place within the United States for movement to a place outside thereof, and, in the case of a movement from a place outside the United States, only insofar as such transportation by water takes place from any place in the United States to any other place therein after transshipment at a place within the United States in a movement from a place outside thereof.

"'(j) The term "United States" means the States of the United States and the District of Columbia.

"'(k) The term "State" means a State of the United States or the District of Columbia.

"'(l) The term "common carrier by railroad" means a common carrier by railroad subject to the provisions of part I.

"'(m) The term "common carrier by motor vehicle" means a common carrier by motor vehicle subject to the provisions of part II.

"'APPLICATION OF PROVISIONS; EXEMPTIONS

"'SEC. 303. (a) In the case of transportation which is subject both to this part and part I, the provisions of part I shall apply only to the extent that part I imposes, with respect to such transportation, requirements not imposed by the provisions of this part.

"'(b) Nothing in this part shall apply to the transportation by a water carrier of commodities in bulk when the cargo space of the vessel in which such commodities are transported is being used for the carrying of not more than three such commodities. This subsection shall apply only in the case of commodities in bulk which are (in accordance with the existing custom of the trade in the handling and transportation of such commodities as of June 1, 1939) loaded and carried without wrappers or containers and received and delivered by the carrier without transportation mark or count. For the purposes of this subsection two or more vessels while navigated as a unit shall be considered to be a single vessel. This subsection shall not apply to transportation subject, at the time this part takes effect, to the provisions of the Intercoastal Shipping Act, 1933, as amended.

"'(c) Nothing in this part shall apply to transportation by a contract carrier by water of commodities in bulk in a non-ocean-going vessel on a normal voyage during which (1) the cargo space of such vessel is used for the carrying of not more than three such commodities, and (2) such vessel passes within or through waters which are made international for navigation purposes by any treaty to which the United States is a party.

"'(d) Nothing in this part shall apply to the transportation by water of liquid cargoes in bulk in tank vessels designed for use exclusively in such service and certified under regulations approved by the Secretary of Commerce pursuant to the provisions of section 4417a of the Revised Statutes (U. S. C., 1934 edition, Supp. IV, title 46, sec. 391a).

"'(e) It is hereby declared to be the policy of Congress to exclude from the provisions of this part, in addition to the transportation otherwise excluded under this section, transportation by contract carriers by water which, by reason of the inherent nature of the commodities transported, their requirement of special equipment, or their shipment in bulk, is not actually and substantially competitive with transportation by any common carrier subject to this part or part I or part II. Upon application of a carrier, made in such manner and form as the Commission may by regulations prescribe, the Commission shall, subject to such reasonable conditions and limitations as the Commission may prescribe, by order exempt from the provisions of this part such of the transportation engaged in by such carrier as it finds necessary to carry out the policy above declared. A carrier (other than a carrier subject, at the time this part takes effect, to the provisions of the Intercoastal Shipping Act, 1933, as amended) making such application prior to October 1, 1940, shall be exempt from the provisions of this part until a final determination has been made upon such application if such carrier or a predecessor in interest was in bona fide operation as a contract carrier by water on January 1, 1940, over the route or routes or between the ports with respect to which application is made and has so operated since that time (or, if engaged in furnishing seasonal service only, was in bona fide operation during the seasonal period, prior to or including such date, for operations of the character in question) except, in either event, for interruptions of service over which such carrier or its predecessor in interest had no control.

"'(f) Notwithstanding any provision of this section or of section 302, the provisions of this part shall not apply—

"'(1) to transportation by water by a carrier by railroad subject to part I or by a motor carrier subject to part II, incidental to transportation subject to such parts, in the performance within terminal areas of transfer, collection, or delivery services, or in the performance of floatage, car ferry, lighterage, or towage; but such transportation shall be considered to be transportation subject to part I when performed by such carrier by railroad, and transportation subject to part II when performed by such motor carrier.

"'(2) to transportation by water by any person (whether as agent or under a contractual arrangement) for a common carrier by railroad subject to part I, an express company subject to part I, a motor carrier subject to part II, or a water carrier subject to this part, in the performance within terminal areas of transfer, collection, or delivery services, or in the performance of floatage, car ferry, lighterage, or towage; but such transportation shall be considered to be performed by such carrier or express company as part of, and shall be regulated in the same manner as, the transportation by railroad, express, motor vehicle, or water to which such services are incidental.

"'(g) Except to the extent that the Commission shall from time to time find, and by order declare, that such application is necessary to carry out the national transportation policy declared in this Act, the provisions of this part shall not apply (1) to transportation in interstate commerce by water solely within the limits of a single harbor or between places in contiguous harbors, when such transportation is not a part of a continuous through movement under a common control, management, or arrangement to or from a place without the limits of any such harbor or harbors, or (2) to transportation by small craft of not more than one hundred tons carrying capacity or not more than one hundred indicated horsepower, or to vessels carrying passengers only and equipped to carry no more than sixteen passengers, or to ferries, or to the movement by water carriers of contractors' equipment employed or to be employed in construction or repair for such water carrier, or to the operation of salvors.

"'(h) The Commission shall have the power to determine, upon its own motion or upon application of any party in interest, whether any water carrier is engaged solely in transporting the property of a person which owns all or substantially all of the voting stock of such carrier. Upon so finding the Commission shall issue a certificate of exemption to such carrier, and such carrier shall not be subject to the provisions of this part during the period such certificate shall remain in effect. At any time after the issuance of such certificate the Commission may by order revoke such certificate if it finds that such carrier is no longer entitled to the exemption under the foregoing provisions of this subsection. Upon revocation of any such certificate the Commission shall restore to such carrier, without further proceedings, the authority, if any, to engage in transportation subject to the provisions of this part held by such carrier at the time the certificate of exemption pertaining to such carrier became effective. No certificate of exemption shall be denied and no order of revocation shall be issued, under this subsection, except after reasonable opportunity for hearing.

"'(i) In the application of the provisions of this part to any carrier owned or controlled by the United States, no different policy, rule of rate making, system of accounting, or method of determining costs of service, value of property, or rate of return shall be applied than is applied in the case of carriers not so owned or controlled.

"'(j) Nothing in this part shall be construed to interfere with the exclusive exercise by each State of the power to regulate intrastate commerce by water carriers within the jurisdiction of such State.

"'(k) Nothing in this part shall authorize the Commission to prescribe or regulate any rate, fare, or charge for intrastate transportation, or for any service connected therewith, for the purpose of removing discrimination against interstate commerce or for any other purpose.

"'(l) Whenever transportation exempted under the provisions of subsection (g), or by order of the Commission under subsection (e), becomes subject to the provisions of this part, the carrier may continue to engage in such transportation for a period of one hundred and twenty days without a certificate or permit covering such transportation, and, if application for a certificate or permit covering such transportation is made to the Commission within such period, the Commission shall, without

further proceedings, issue to the carrier a certificate or permit, whichever is appropriate, authorizing such transportation previously exempted.

"'GENERAL POWERS AND DUTIES OF THE COMMISSION

"'SEC. 304. (a) It shall be the duty of the Commission to administer the provisions of this part, and to that end the Commission shall have authority to make and amend such general or special rules and regulations and to issue such orders as may be necessary to carry out such provisions.

"'(b) The Commission shall have authority, for purposes of the administration of the provisions of this part, to inquire into and report on the management of the business of water carriers, and to inquire into and report on the management of the business of persons controlling, controlled by, or under a common control with water carriers, to the extent that the business of such persons is related to the management of the business of one or more such carriers, and the Commission shall keep itself informed as to the manner and method in which the same are conducted. The Commission may obtain from such carriers and persons such information as the Commission deems necessary to carry out the provisions of this part; and may transmit to Congress from time to time, such recommendations (including recommendations as to additional legislation) as the Commission may deem necessary.

"'(c) The Commission may establish from time to time such just and reasonable classifications of groups of carriers included in the terms "common carrier by water", or "contract carrier by water", as the special nature of the services performed by such carriers shall require; and such just and reasonable rules, regulations, and requirements consistent with the provisions of this part to be observed by the carriers so classified or grouped, as the Commission, after hearing, finds necessary or desirable in the public interest.

"'(d) Whenever it shall appear from complaint made to the Commission or otherwise that the rates, fares, regulations, or practices of persons engaged in transportation by water to or from a port or ports of any foreign country in competition with common carriers by water or contract carriers by water, cause undue disadvantage to such carriers by reason of such competition, the Commission may relieve such carriers from the provisions of this part to such extent, and for such time, and in such manner as in its judgment may be necessary to avoid or lessen such undue disadvantage, consistently with the public interest and the national transportation policy declared in this Act.

"'(e) Upon complaint in writing to the Commission by any person, or upon its own initiative without complaint, the Commission may investigate whether any water carrier has failed to comply with any provision of this part or with any requirement established pursuant thereto, and if, after notice of and hearing upon any such investigation, the Commission finds that any such carrier has failed to comply with any such provision or requirement, it shall issue an appropriate order to compel such carrier to comply therewith. Whenever the Commission is of opinion that any complaint does not state reasonable grounds for action on its part, it may dismiss such complaint.

"'RATES, FARES, CHARGES, AND PRACTICES; THROUGH ROUTES

"'SEC. 305. (a) It shall be the duty of every common carrier by water, with respect to transportation subject to this part which it undertakes or holds itself out to perform, or which it is required by or under authority of this part to perform, to provide and furnish such transportation upon reasonable request therefor, and to establish, observe, and enforce just and reasonable rates, fares, charges, and classifications, and just and reasonable regulations and practices, relating thereto and to the issuance, form, and substance of tickets, receipts, bills of lading, and manifests, the manner and method of presenting, marking, packing, and delivering property for transportation, the carrying of personal, sample, and excess baggage, the facilities for transportation, and all other matters relating to or connected with such transportation in interstate or foreign commerce. All charges made for any service rendered or to be rendered in the transportation of passengers or property as aforesaid, or in connection therewith, shall be just and reasonable, and every unjust and unreasonable charge for such service or any part thereof is prohibited and declared to be unlawful.

"'(b) It shall be the duty of common carriers by water to establish reasonable through routes with other such carriers and with common carriers by railroad, for the transportation of persons or property, and just and reasonable rates, fares, charges, and classifications applicable thereto, and to provide reasonable facilities for operating such through routes, and to make reasonable rules and regulations with respect to their operation and providing for reasonable compensation to those entitled thereto. Common carriers by water may establish reasonable through routes and rates, fares, charges, and classifications applicable thereto with common carriers by motor vehicle. In the case of joint rates, fares, or charges it shall be the duty of the carriers parties thereto to establish just, reasonable, and equitable divisions thereof, which shall not unduly prefer or prejudice any of such carriers.

"'(c) It shall be unlawful for any common carrier by water to make, give, or cause any undue or unreasonable preference or advantage to any particular person, port, port district, gateway, transit point, locality, region, district, territory, or description of traffic in any respect whatsoever; or to subject any particular person, port, port district, gateway, transit point, locality, region, district, territory, or description of traffic to any unjust discrimination or any undue or unreasonable prejudice or disadvanage in any respect whatsoever: *Provided*, That this subsection shall not be construed to apply to discriminations, prejudice, or disadvantage to the traffic of any other carrier of whatever description. Differences in the classifications, rates, fares, charges, rules, regulations, and practices of a water carrier in respect of water transportation from those in effect by a rail carrier with respect to rail transportation shall not be deemed to constitute unjust discrimination, prejudice, or disadvantage, or an unfair or destructive competitive practice, within the meaning of any provision of this Act.

"'(d) All common carriers by water shall, according to their respective powers, afford all reasonable, proper, and equal facilities for the interchange of traffic between their respective lines and connecting lines, and for the receiving, forwarding, and delivering of passengers or property to and from connecting lines; and shall not discriminate in their rates, fares, and charges between connecting lines, or unduly prejudice any connecting line in the distribution of traffic that is not specifically routed by the shipper. As used in this subsection the term "connecting line" means the connecting line of any common carrier by water or any common carrier subject to part I.

"'TARIFFS AND SCHEDULES

"'SEC. 306. (a) Every common carrier by water shall file with the Commission, and print, and keep open to public inspection tariffs showing all rates, fares, charges, classifications, rules, regulations, and practices for the transportation in interstate or foreign commerce of passengers and property between places on its own route, and between such places and places on the route of any other such carrier or on the route of any common carrier by railroad or by motor vehicle, when a through route and joint rate shall have been established. Such tariffs shall plainly state the places between which property or passengers will be carried, the classification of property or passengers and, separately, all terminal charges, or other charges which the Commission shall require to be so stated, all privileges or facilities granted or allowed, and any rules or regulations which in anywise change, affect, or determine any part or the aggregate of such rates, fares, or charges, or the value of the service rendered to the passenger, shipper, or consignee.

"'(b) All charges of common carriers by water shall be stated in lawful money of the United States. The Commission shall by regulations prescribe the form and manner in which the tariffs required by this section shall be published, filed, and posted; and the Commission is authorized to reject any tariff filed with it which is not in accordance with this section and with such regulations. Any tariff so rejected by the Commission shall be void and its use shall be unlawful.

"'(c) No common carrier by water shall charge or demand or collect or receive a greater or less or different compensation for transportation subject to this part or for any service in connection therewith than the rates, fares, or charges specified for such transportation or such service in the tariffs lawfully in effect; and no such carrier shall refund or remit in any manner or by any device any portion of the rates, fares, or charges so specified, or extend to any person any privileges or facilities for transportation affecting the value thereof except such as are specified in its tariff: *Provided*, That the provisions of sections 1 (7) and 22 of part I (which relate to transportation free and at reduced rates), together with such other provisions of such part (including penalties) as may be necessary for the enforcement of such provisions, shall apply to common carriers by water.

"'(d) No common carrier by water, unless otherwise provided by this part, shall engage in transportation subject to this part unless the rates, fares, and charges upon which the same are transported by said carrier have been filed and published in accordance with the provisions of this part. No change shall be made in any rate, fare, charge, classification, regulation, or practice specified in any effective tariff of a common carrier by water except after thirty days' notice of the proposed change filed and posted in accordance with this section. Such notice shall plainly state the change proposed to be made and the time when such change will take effect. The Commission may, in its discretion and for good cause shown, allow changes upon notice less than that herein specified, or modify the requirements of this section, either in particular instances or by general order applicable to special circumstances or conditions.

"'(e) It shall be the duty of every contract carrier by water to establish and observe reasonable minimum rates and charges for any service rendered or to be rendered in the transportation of passengers or property or in connection therewith and to establish and observe reasonable regulations, and practices to be applied in connection with said reasonable minimum rates and charges. It shall be the duty of every contract carrier by water to file with the Commission, post, and keep open for public inspection, in accordance with such rules and regulations as the Commission shall prescribe, schedules of minimum rates or charges actually maintained and charged for interstate and foreign transportation to which it is a party, and any rule, regulation, or practice affecting such charges and the value of the service thereunder. No contract carrier by water, unless otherwise provided by this part, shall engage in transportation subject to this part unless the minimum rates or charges actually maintained and charged have been published, filed, and posted in accordance with the provisions of this part. No new rate or charge shall be established and no reduction shall be made in any rate or charge, either directly or by means of any change in any rule, regulation, or practice affecting such rate or charge, or the value of service thereunder, except after thirty days' notice of the proposed new rate or charge, or of the proposed change,

filed in accordance with this section. The Commission may, in its discretion and for good cause shown, allow the establishment of any such new rate or charge, or any such change, upon notice less than herein specified, or modify the requirement of this section with respect to posting and filing of such schedules, either in particular instances or by general order applicable to special or peculiar circumstances or conditions. Such notice shall plainly state the new rate or charge, or the change proposed to be made, and the time when it will take effect. It shall be unlawful for any such carrier to transport passengers or property or to furnish facilities or services in connection therewith for a less compensation, either directly or by means of a change in the terms and conditions of any contract, charter, agreement, or undertaking, than the rates or charges so filed with the Commission: *Provided*, That the Commission, in its discretion and for good cause shown, either upon application of any such carrier or carriers, or any class or group thereof, or upon its own initiative may, after hearing, grant relief from the provisions of this subsection to such extent, and for such time, and in such manner as, in its judgment, is consistent with the public interest and the national transportation policy declared in this Act.

"'COMMISSION'S AUTHORITY OVER RATES, AND SO FORTH

"'SEC. 307. (a) Any person may make complaint in writing to the Commission that any individual or joint rate, fare, charge, classification, regulation, or practice of any common carrier by water or any contract carrier by water is or will be in violation of this part. Every complaint shall state fully the facts complained of and the reasons for such complaint and shall be made under oath.

"'(b) Whenever, after hearing, upon complaint or in an investigation on its own initiative, the Commission shall be of opinion that any individual or joint rate, fare, or charge demanded, charged, or collected by any common carrier or carriers by water for transportation subject to this part, or any regulation, practice, or classification of such carrier or carriers relating to such transportation, is or will be unjust or unreasonable, or unjustly discriminatory, or unduly preferential or prejudicial, or otherwise in violation of any provision of this part, it may determine and prescribe the lawful rate, fare, or charge or the maximum or minimum, or maximum and minimum rate, fare, or charge thereafter to be observed, or the lawful regulation, practice, or classification thereafter to be made effective.

"'(c) In any proceeding to determine the justness or reasonableness of any rate, fare, or charge of any common carrier by water there shall not be taken into consideration or allowed as evidence or elements of value of the property of such carrier either goodwill, earning power, or the certificate under which such carrier is operating; and in applying for and receiving a certificate under this part any such carrier shall be deemed to have agreed to the provisions of this subsection on its own behalf and on behalf of all transferees of such certificate.

"'(d) The Commission may, and it shall whenever deemed by it to be necessary or desirable in the public interest, after full hearing upon complaint or upon its own initiative without a complaint, establish through routes, joint classifications, and joint rates, fares, or charges, applicable to the transportation of passengers or property by common carriers by water, or by such carriers and carriers by railroad, or the maxima or minima, or maxima and minima, to be charged, and the divisions of such rates, fares, or charges as hereinafter provided, and the terms and conditions under which such through routes shall be operated. In the case of a through route, where one of the carriers is a common carrier by water, the Commission shall prescribe such reasonable differentials as it may find to be justified between all-rail rates and the joint rates in connection with such common carrier by water. The Commission shall not, however, establish any through route, classification, or practice, or any rate, fare, or charge, between street electric passenger railways not engaged in the general business of transporting freight in addition to their passenger and express business, and common carriers by water. If any tariff or schedule canceling any through route or joint rate, fare, charge, or classification, without the consent of all carriers parties thereto or authorization by the Commission, is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancellation to show that it is consistent with the public interest, without regard to the provisions of paragraph (4) of section 15.

"'(e) Whenever, after hearing upon complaint or upon its own initiative, the Commission is of opinion that the divisions of joint rates, fares, or charges, applicable to the transportation of passengers or property by common carriers by water, or by such carriers and common carriers by railroad or by motor vehicle, are or will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between the carriers parties thereto, the Commission shall by order prescribe the just, reasonable, and equitable divisions thereof to be received by the several carriers. In cases where the joint rate, fare, or charge, was established pursuant to a finding or order of the Commission and the divisions thereof are found by it to have been unjust, unreasonable, or inequitable, or unduly preferential or prejudicial, the Commission may also by order determine what (for the period subsequent to the filing of the complaint or petition or the making of the order of investigation) would have been the just, reasonable, and equitable divisions thereof to by received by the several carriers, and require adjustment to be made in accordance therewith. In so prescribing and determining the divisions of joint rates, fares and charges, the Commission shall give due consideration, among other things, to the efficiency with which the carriers concerned are operated, the amount of revenue required to pay their respective operating expenses, taxes, and a fair return on their property held for and used in the service of transportation, and the importance to the public of the transportation services of such carriers and also whether any particular participating carrier is an originating, intermediate, or delivering line, and any other fact or circumstance which would ordinarily, without regard to the mileage haul, entitle one carrier to a greater or less proportion than another carrier of the joint rate, fare, or charge.

"'(f) In the exercise of its power to prescribe just and reasonable rates, fares, and charges of common carriers by water, and classifications, regulations, and practices relating thereto, the Commission shall give due consideration, among other factors, to the effect of rates upon the movement of traffic by the carrier or carriers for which the rates are prescribed; to the need, in the public interest, of adequate and efficient water transportation service at the lowest cost consistent with the furnishing of such service; and to the need of revenues sufficient to enable water carriers, under honest, economical, and efficient management, to provide such service.

"'(g) Whenever there shall be filed with the Commission any schedule (except a schedule referred to in section 322) stating a new rate, fare, charge, classification, regulation, or practice for the interstate or foreign transportation of passengers or property by a common carrier or carriers by water, the Commission may upon protest of interested parties or upon its own initiative at once, and, if it so orders, without answer or other formal pleading by such carrier or carriers, but upon reasonable notice, enter upon an investigation concerning the lawfulness of such rate, fare, charge, classification, regulation, or practice, and pending such hearing and the decision thereon, the Commission, by filing with such schedule and delivering to the carrier or carriers affected thereby a statement in writing of its reasons for such suspension, may from time to time suspend the operation of such schedule and defer the use of such rate, fare, charge, classification, regulation, or practice, but not for a longer period than seven months beyond the time when it would otherwise go into effect; and after hearing, whether completed before or after the rate, fare, charge, classification, regulation, or practice goes into effect, the Commission may make such order with reference thereto, as would be proper in a proceeding instituted after such rate, fare, charge, classification, regulation, or practice had become effective. If the proceeding shall not have been concluded and an order made within the period of suspension, the proposed rate, fare, charge, classification, regulation, or practice shall go into effect at the end of such period: *Provided, however*, That this subsection shall not apply to any initial schedule filed prior to July 1, 1941, by any such carrier (other than a carrier subject, at the time this part takes effect, to the provisions of the Intercoastal Shipping Act, 1933, as amended, or the Shipping Act, 1916, as amended) insofar as such schedule names rates on traffic, or for services connected therewith, as to which such carrier was in bona fide operation on January 1, 1940. At any hearing involving a change in a rate, fare, charge, or classification, or in a rule, regulation, or practice, the burden of proof shall be upon the carrier to show that the proposed changed rate, fare, charge, classification, rule, regulation, or practice is just and reasonable.

"'(h) Whenever, after hearing, upon complaint or its own initiative, the Commission finds that any minimum rate or charge of any contract carrier by water, or any rule, regulation, or practice of any such carrier affecting such minimum rate or charge, or the value of the service thereunder, contravenes the national transportation policy declared in this Act, or is in contravention of any provision of this part, the Commission may prescribe such just and reasonable minimum rate or charge, or such rule, regulation, or practice as in its judgment may be necessary or desirable in the public interest and to promote such policy and will not be in contravention of any provision of this part. Such minimum rate or charge, or such rule, regulation, or practice, so prescribed by the Commission, shall give no advantage or preference to any such carrier in competition with any common carrier by water subject to this part, which the Commission may find to be undue or inconsistent with the public interest and the national transportation policy declared in this Act, and the Commission shall give due consideration to the cost of the services rendered by such carriers, and to the effect of such minimum rate or charge, or such rule, regulation, or practice, upon the movement of traffic by such carriers. All complaints shall state fully the facts complained of and the reasons for such complaint and shall be made under oath.

"'(i) Whenever there shall be filed with the Commission by any such contract carrier any schedule (except a schedule referred to in section 322) stating a charge for a new service or a reduced charge, directly or by means of any rule, regulation, or practice, for transportation in interstate or foreign commerce, the Commission may upon complaint of interested parties or upon its own initiative at once and, if it so orders, without answer or other formal pleading by the interested party, but upon reasonable notice, enter upon a hearing concerning the lawfulness of such charge, or such rule, regulation, or practice, and pending such hearing and the decision thereon the Commission, by filing with such schedule and delivering to the carrier affected thereby a statement in writing of its reasons for such suspension, may from time to time suspend the operation of such schedule and defer the use of such charge, or such rule, regulation, or practice, but not for a longer period than seven months beyond the time when it would otherwise go into effect; and after hearing, whether completed before or after the charge, or rule, regulation,

or practice goes into effect, the Commission may make such order with reference thereto as would be proper in a proceeding instituted after it had become effective. If the proceeding has not been concluded and an order made within the period of suspension, the proposed change in any charge or rule, regulation, or practice shall go into effect at the end of such period: *Provided,* That this subsection shall not apply to any initial schedule filed prior to July 1, 1941, by any such carrier (other than a carrier subject, at the time this part takes effect, to the provisions of the Intercoastal Shipping Act, 1933, as amended, or the Shipping Act, 1916, as amended) insofar as such schedule names charges on traffic, or for services connected therewith, as to which such carrier was in bona fide operation on January 1, 1940. The rule as to burden of proof specified in subsection (g) of this section shall apply to this subsection.

"'REPARATION AWARDS; LIMITATION OF ACTIONS

"'SEC. 308. (a) For the purposes of this section the term "carrier" means a water carrier engaged in transportation subject to this part (1) by way of the Panama Canal, or (2) as a common carrier by water on the high seas or the Great Lakes on regular routes from port to port.

"'(b) In case any carrier shall do, cause to be done, or permit to be done any act, matter, or thing in this part prohibited or declared to be unlawful, or shall omit to do any act, matter, or thing in this part required to be done, such carrier shall be liable to the person or persons injured thereby for the full amount of damages sustained in consequence of any such violation, together with a reasonable counsel or attorney's fee, to be fixed by the court in every case of recovery, which attorney's fee shall be taxed and collected as part of the costs in the case.

"'(c) Any person or persons claiming to be damaged by any carrier may either make complaint to the Commission or may bring suit in his or their own behalf for the recovery of the damages for which such carrier may be liable under the provisions of subsection (b), in any district court of the United States of competent jurisdiction; but such person or persons shall not have the right to pursue both of said remedies.

"'(d) If, after hearing on a complaint, the Commission shall determine that any party complainant is entitled to an award of damages under the provisions of this part for a violation thereof by any carrier, the Commission shall make an order directing the carrier to pay to the complainant the sum to which he is entitled on or before a day named.

"'(e) If such carrier does not comply with an order for the payment of money within the time limit in such order, the complainant, or any person for whose benefit such order was made, may file with the district court of the United States for the district in which he or it resides or in which is located the principal operating office of such carrier or in which is located any port of call on a route operated by such carrier, or in any State court of general jurisdiction having jurisdiction of the parties, a complaint setting forth briefly the causes for which he claims damages, and the order of the Commission in the premises. Such suit in the district court of the United States shall proceed in all respects like other civil suits for damages, except that on the trial of such suit the findings and order of the Commission shall be prima facie evidence of the facts therein stated, and except that the plaintiff shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings unless they accrue upon his appeal. If the plaintiff shall finally prevail he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of the costs of the suit.

"'(f) (1) All complaints against carriers for the recovery of damages or overcharges shall be filed with the Commission within three years from the time the cause of action accrues, and not after.

"'(2) The cause of action in respect of a shipment of property shall, for the purposes of this section, be deemed to accrue upon delivery or tender of delivery thereof by the carrier and not after.

"'(3) A complaint for the enforcement of an order of the Commission for the payment of money shall be filed in the district court or the State court within one year from the date of the order, and not after.

"'(4) The term "overcharges" as used in this section means charges for transportation services in excess of those applicable thereto under the tariffs lawfully on file with the Commission.

"'(5) The provisions of this subsection (f) shall take effect six months after this section becomes effective and extend to and embrace cases in which the cause of action has heretofore accrued.

"'(g) In such suits all parties in whose favor the Commission may have made an award of damages by a single order may be joined as plaintiffs, and all of the carriers parties to such order awarding such damages may be joined as defendants, and such suit may be maintained by such joint plaintiffs and against such joint defendants in any district where any one of such joint plaintiffs could maintain such suit against any one of such joint defendants; and service of process against any one of such defendants as may not be found in the district where the suit is brought may be made in any district where such defendant has his or its principal operating office. In case of such joint suit the recovery, if any, may be by judgment in favor of any one of such plaintiffs, against the defendant found to be liable to such plaintiff.

"'CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY AND PERMITS

"'SEC. 309. (a) Except as otherwise provided in this section and section 311, no common carrier by water shall engage in transportation subject to this part unless it holds a certificate of public convenience and necessity issued by the Commission: *Provided, however,* That, subject to section 310, if any such carrier or a predecessor in interest was in bona fide operation as a common carrier by water on January 1, 1940, over the route or routes or between the ports with respect to which application is made and has so operated since that time (or, if engaged in furnishing seasonal service only, was in bona fide operation during the seasonal period, prior to or including such date, for operations of the character in question) except, in either event, as to interruptions of service over which the applicant or its predecessor in interest had no control, the Commission shall issue such certificate without requiring further proof that public convenience and necessity will be served by such operation, and without further proceedings, if application for such certificate is made to the Commission as provided in subsection (b) of this section and prior to the expiration of one hundred and twenty days after this section takes effect. Pending the determination of any such application, the continuance of such operation shall be lawful. If the application for such certificate is not made within one hundred and twenty days after this section takes effect, it shall be decided in accordance with the standards and procedures provided for in subsection (c), and such certificate shall be issued or denied accordingly. Any person, not included within the provisions of the foregoing proviso, who is engaged in transportation as a common carrier by water when this section takes effect may continue such operation for a period of one hundred and twenty days thereafter without a certificate, and, if application for such certificate is made to the Commission within such period, the continuance of such operation shall be lawful pending determination of such application.

"'(b) Application for a certificate shall be made in writing to the Commission, be verified under oath, and shall be in such form and contain such information and be accompanied by proof of service upon such interested parties as the Commission shall, by regulations, require.

"'(c) Subject to section 310, upon application as provided in this section the Commission shall issue a certificate to any qualified applicant therefor, authorizing the whole or any part of the operations covered by the application, if the Commission finds that the applicant is fit, willing, and able properly to perform the service proposed and to conform to the provisions of this part and the requirements, rules, and regulations of the Commission thereunder, and that the proposed service, to the extent authorized by the certificate, is or will be required by the present or future public convenience and necessity; otherwise such application shall be denied.

"'(d) Such certificate shall specify the route or routes over which, or the ports to and from which, such carrier is authorized to operate, and, at the time of issuance and from time to time thereafter, there shall be attached to the exercise of the privileges granted by such certificate such reasonable terms, conditions, and limitations as the public convenience and necessity may from time to time require, including terms, conditions, and limitations as to the extension of the route or routes of the carrier, and such other terms, and conditions, and limitations as are necessary to carry out, with respect to the operations of the carrier, the requirements of this part or those established by the Commission pursuant thereto: *Provided, however,* That no terms, conditions, or limitations shall restrict the right of the carrier to add to its equipment, facilities, or service within the scope of such certificate, as the development of the business and the demands of the public shall require, or the right of the carrier to extend its services over uncompleted portions of waterway projects now or hereafter authorized by Congress, over the completed portions of which it already operates, as soon as such uncompleted portions are open for navigation.

"'(e) No certificate issued under this part shall confer any proprietary or exclusive right or rights in the use of public waterways.

"'(f) Except as otherwise provided in this section and section 311, no person shall engage in the business of a contract carrier by water unless he or it holds an effective permit, issued by the Commission authorizing such operation: *Provided,* That, subject to section 310, if any such carrier or a predecessor in interest was in bona fide operation as a contract carrier by water on January 1, 1940, over the route or routes or between the ports with respect to which application is made, and has so operated since that time (or, if engaged in furnishing seasonal service only, was in bona fide operation during the seasonal period, prior to or including such date, for operations of the character in question) except, in either event, as to interruptions of service over which the applicant or its predecessor in interest had no control, the Commission shall issue such permit, without further proceedings, if application for such permit is made to the Commission as provided in subsection (g) of this section and prior to the expiration of one hundred and twenty days after this section takes effect. Pending the determination of any such application, the continuance of such operation shall be lawful. If the application for such permit is not made within one hundred and twenty days after this section takes effect, it shall be decided in accordance with the standards and procedure provided for in subsection (g), and such permit shall be issued or denied accordingly. Any person, not included within the provision of the foregoing proviso, who is engaged in transportation as a contract carrier by water when this section takes effect may continue such operation for a period of one hundred and twenty days thereafter without a permit, and, if application for such permit is made to the Commission within such period, the continuance of such operation shall be lawful pending the determination of such application.

"'(g) Application for such permit shall be made to the Commission in writing, be verified under oath, and shall be in such form and contain such information and be accompanied by proof of service upon such interested parties as the Commission shall, by regulations, require. Subject to section 310, upon application the Commission shall issue such permit if it finds that the applicant is fit, willing, and able properly to perform the service proposed and to conform to the provisions of this part and the requirements, rules, and regulations of the Commission thereunder, and that such operation will be consistent with the public interest and the national transportation policy declared in this Act. The business of the carrier and the scope thereof shall be specified in such permit and there shall be attached thereto at time of issuance and from time to time thereafter such reasonable terms, conditions, and limitations, consistent with the character of the holder as a contract carrier by water, as are necessary to carry out the requirements of this part or those lawfully established by the Commission pursuant thereto: *Provided, however,* That no terms, conditions, or limitations shall restrict the right of the carrier to substitute or add contracts within the scope of the permit, or to add to his equipment, facilities, or service, within the scope of the permit, as the development of the business and the demands of the carrier's patrons shall require.

"'DUAL OPERATIONS UNDER CERTIFICATES AND PERMITS

"'SEC. 310. Unless, for good cause shown, the Commission shall find, or shall have found, that both a certificate and a permit may be so held consistently with the public interest and with the national transportation policy declared in this Act—

"'(1) no person, or any person controlling, controlled by, or under common control with such person, shall hold a certificate as a common carrier by water if such person, or any such controlling person, controlled person, or person under common control, holds a permit as a contract carrier by water; and

"'(2) no person, or any person controlling, controlled by, or under common control with such person, shall hold a permit as a contract carrier by water if such person, or any such controlling person, controlled person, or person under common control, holds a certificate as a common carrier by water.

"'TEMPORARY OPERATIONS

"'SEC. 311. (a) To enable the provision of service for which there is an immediate and urgent need to a point or points or within a territory having no carrier service capable of meeting such need, the Commission may, in its discretion and without hearings or other proceedings, grant temporary authority for such service by a common carrier by water or a contract carrier by water, as the case may be. Such temporary authority shall be valid for such time as the Commission shall specify but not for more than an aggregate of one hundred and eighty days, and shall create no presumption that corresponding permanent authority will be granted thereafter.

"'(b) Pending the determination of an application filed with the Commission under this Act for approval of a consolidation or merger of the properties of two or more water carriers, or of a purchase, lease, or contract to operate the properties of one or more water carriers, the Commission may, for good cause shown, and without hearings or other proceedings, grant temporary approval, for a period not exceeding one hundred and eighty days, of operation of the properties of such carriers by water by the person proposing to acquire them, as aforesaid.

"'TRANSFER OF CERTIFICATES AND PERMITS

"'SEC. 312. Except as provided in this part, any such certificate or permit may be transferred in accordance with such regulations as the Commission shall prescribe for the protection of the public interest and to insure compliance with the provisions of this part.

"'ACCOUNTS, RECORDS, AND REPORTS

"'SEC. 313. (a) The Commission is hereby authorized to require annual, periodical, or special reports from water carriers and lessors (as defined in this section), and to prescribe the manner and form in which such reports shall be made, and to require from such carriers and lessors specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary. Such annual reports shall give an account of the affairs of the carrier or lessor in such form and detail as may be prescribed by the Commission. Said annual reports shall contain all the required information for the period of twelve months ending on the thirty-first day of December in each year, unless the Commission shall specify a different date, and shall be made out under oath and filed with the Commission at its office in Washington within three months after the close of the year for which the report is made, unless additional time be granted in any case by the Commission. Such periodical or special reports as may be required by the Commission under this paragraph shall also be under oath whenever the Commission so requires.

"'(b) The Commission may also require any such carrier to file with it a true copy of any contract, charter, or agreement between such carrier and any other carrier or person in relation to transportation facilities, service, or traffic affected by the provisions of this part. The Commission shall not, however, make public any contract, charter, or agreement between a contract carrier by water and a shipper, or any of the terms or conditions thereof, except as a part of the record in a formal proceeding where it considers such action consistent with the public interest: *Provided,* That if it appears from an examination of any such contract that it fails to conform to the published schedule of the contract carrier by water as required by section 306 (e), the Commission may, in its discretion, make public such of the provisions of the contract as the Commission considers necessary to disclose such failure and the extent thereof.

"'(c) The Commission may, in its discretion, for the purpose of enabling it the better to carry out the purposes of this part, prescribe a uniform system of accounts applicable to any class of water carriers, and a period of time within which such class shall have such uniform system of accounts, and the manner in which such accounts shall be kept.

"'(d) The Commission shall, as soon as practicable, prescribe for water carriers the classes of property for which depreciation charges may properly be included under operating expenses, and the rate or rates of depreciation which shall be charged with respect to each of such classes of property, classifying the carriers as it may deem proper for this purpose. The Commission may, when it deems necessary, modify the classes and rates so prescribed. When the Commission shall have exercised its authority under the foregoing provisions of this subsection, water carriers shall not charge to operating expenses any depreciation charges on classes of property other than those prescribed by the Commission, or charge with respect to any class of property a rate of depreciation other than that prescribed therefor by the Commission, and no such carrier shall in any case include under operating expenses any depreciation charge in any form whatsoever other than as prescribed by the Commission.

"'(e) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memoranda to be kept by water carriers and lessors, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of money, and it shall be unlawful for such carriers or lessors to keep any accounts, records, and memoranda contrary to any rules, regulations, or orders of the Commission with respect thereto.

"'(f) The Commission or its duly authorized special agents, accountants, or examiners shall have authority to inspect and copy any and all accounts, books, records, memoranda, correspondence, and other documents, of such water carriers and lessors, and such accounts, books, records, memoranda, correspondence, and other documents of any person controlling, controlled by, or under common control with any such carrier as the Commission deems relevant to such person's relation to or transactions with such carrier. The Commission or its duly authorized special agents, accountants, or examiners shall at all times have access to all lands, buildings, or equipment of such carriers or lessors, and shall have authority under its order to inspect and examine any and all such lands, buildings, and equipment. All such carriers, lessors, and persons shall submit their accounts, books, records, memoranda, correspondence, and other documents for the inspection and for copying authorized by this paragraph, and such carriers and lessors shall submit their lands, buildings, and equipment for inspection and examination, to any duly authorized special agent, accountant, or examiner of the Commission, upon demand and the display of proper credentials.

"'(g) The Commission may issue orders specifying such operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents of water carriers or lessors as may, after a reasonable time, be destroyed, and prescribing the length of time the same shall be preserved.

"'(h) As used in this section, the words "keep" and "kept" shall be construed to mean made, prepared, or compiled, as well as retained; the term "lessor" means a lessor of any right to operate as a water carrier; and the term "water carrier" or "lessor" includes a receiver or trustee of such water carrier or lessor.

"'ALLOWANCES TO SHIPPERS FOR TRANSPORTATION SERVICES

"'SEC. 314. If the owner of property transported under this part directly or indirectly renders any service connected with such transportation, or furnishes any instrumentality used therein, the charge and allowance therefor shall be published in tariffs or schedules filed in the manner provided in this part and shall be no more than is just and reasonable; and the Commission may, after hearing on a complaint or on its own initiative, determine what is a reasonable charge as the maximum to be paid by the carrier or carriers for the services so rendered or for the use of the instrumentality so furnished, and fix the same by appropriate order.

"'NOTICES, ORDERS, AND SERVICE OF PROCESS

"'SEC. 315. (a) It shall be the duty of every water carrier to file with the Commission a designation in writing of the name and post-office address of an agent upon whom or which service of notices or orders may be made under this part. Such designation may from time to time be changed by like writing similarly filed. Service of notices or orders in proceedings under this part may be made upon such carrier by personal service upon it or upon an agent so designated by it, or by registered mail addressed to it or to such agent at the address filed. In default of such designation, service of any notice or order may be made by posting in the office of the secretary of the Commission. Whenever notice or order is served by mail, as provided herein, the date of mailing shall be considered as the time of service. In proceedings before the Commission involving the lawfulness of rates, fares, charges, classifications, or practices, service of notice upon an attorney in fact of a carrier who has filed a tariff or schedule in behalf of such carrier shall be deemed to be due and sufficient service upon the carrier.

"'(b) No order, based upon a finding that any water carrier has violated any provision of this part, shall be made by the Commission except after hearing upon complaint or after an investigation upon its own initiative.

"'(c) The Commission may suspend, modify, or set aside its orders under this part upon such notice and in such manner as it shall deem proper.

"'(d) Except as otherwise provided in this part, all orders of the Commission, other than orders for the payment of money, shall take effect within such reasonable time, not less than thirty days, as the Commission may prescribe and shall continue in force until its further order, or for a specified period of time, according as shall be prescribed in the order, unless the same shall be suspended, modified, or set aside by the Commission, or be suspended or set aside by a court of competent jurisdiction.

"'(e) It shall be the duty of every water carrier, its agents and employees, to observe and comply with such orders so long as the same shall remain in effect.

"'ENFORCEMENT AND PROCEDURE

"'SEC. 316. (a) The provisions of section 12 and section 17 of part I, and the Compulsory Testimony Act (27 Stat. 443), and the Immunity of Witnesses Act (34 Stat. 798; 32 Stat. 904, ch. 755, sec. 1), shall apply with full force and effect in the administration and enforcement of this part.

"'(b) If any water carrier fails to comply with or operates in violation of any provision of this part (except provisions as to the reasonableness of rates, fares, or charges, and the discriminatory character thereof), or any rule, regulation, requirement, or order thereunder (except an order for the payment of money), or of any term or condition of any certificate or permit, the Commission or the Attorney General of the United States (or, in case of such an order, any party injured by the failure to comply therewith or by the violation thereof) may apply to any district court of the United States having jurisdiction of the parties for the enforcement of such provision of this part or of such rule, regulation, requirement, order, term, or condition; and such court shall have jurisdiction to enforce obedience thereto by a writ or writs of injunction or other process, mandatory or otherwise, restraining such carrier and any officer, agent, employee, or representative thereof from further violation of such provision of this part or of such rule, regulation, requirement, order, term, or condition and enjoining obedience thereto.

"'(c) The Commission shall enter of record a written report of hearings conducted upon complaint, or upon its own initiative without complaint, stating its conclusions, decision, and order and, if reparation is awarded, the findings of fact upon which the award is made; and shall furnish a copy of such report to all parties of record. The Commission may provide for the publication of such reports in the form best adapted for public information and use, and such authorized publications shall, without further proof or authentication, be received as competent evidence of such reports in any court of competent jurisdiction.

"'(d) Subject to the provisions of section 313, the copies of schedules, and classifications and tariffs of rates, fares, and charges, and of all contracts, agreements, and arrangements of water carriers filed with the Commission as herein provided, and the statistics, tables, and figures contained in the annual or other reports of carriers made to the Commission as required, under the provisions of this part shall be preserved as public records in the custody of the secretary of the Commission, and shall be received as prima facie evidence of what they purport to be for the purpose of investigations by the Commission and in all judicial proceedings; and copies of and extracts from any of said schedules, classifications, tariffs, contracts, agreements, arrangements, or reports, made public records as aforesaid, certified by the secretary, under the Commission's seal, shall be received in evidence with like effect as the originals.

"'UNLAWFUL ACTS AND PENALTIES

"'SEC. 317. (a) Any person who knowingly and willfully violates any provision of this part, or any rule, regulation, requirement, or order thereunder, or any term or condition of any certificate or permit, for which no penalty is otherwise provided, shall be deemed guilty of a misdemeanor and upon conviction thereof in any court of the United States of competent jurisdiction in the district in which such offense was in whole or in part committed shall be subject for each offense to a fine not exceeding $500. Each day of such violation shall constitute a separate offense.

"'(b) Any water 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, deferred rebate, or other concession, in violation of the provisions of this part, or who, by any device or means, shall knowingly and willfully assist, or shall willingly suffer or permit, any person to obtain transportation subject to this part at less than the rates, fares, or charges lawfully in effect, shall be deemed guilty of a misdemeanor and upon conviction thereof in any court of the United States of competent jurisdiction within the district in which such offense was wholly or in part committed shall be subject for each offense to a fine of not more than $5,000.

"'(c) Any person who shall knowingly and willfully solicit, accept, or receive any rebate, deferred rebate, or other concession in violation of the provisions of this part, or who shall by any device or means, whether with or without the consent or connivance of any water carrier or his or its officer, agent, employee, or representative, knowingly and willfully obtain transportation subject to this part at less than the rates, fares, or charges lawfully in effect, or shall knowingly and willfully, directly or indirectly, by false claim, false billing, false representation, or other device or means, obtain or attempt to obtain any allowance, refund, or repayment in connection with or growing out of such transportation, whether with or without the consent or connivance of such carrier or his or its officer, agent, employee, or representative, whereby the compensation of such carrier for such transportation or service, either before or after payment, shall be less than the rates, fares, or charges lawfully in effect, shall be deemed guilty of a misdemeanor and upon conviction thereof in any court of the United States of competent jurisdiction within the district in which such offense was in whole or in part committed, be subjected for each offense to a fine of not more than $5,000.

"'(d) Any water carrier or other person, or any officer, agent, employee, or representative thereof, who shall willfully fail or refuse to make a report to the Commission as required by this part, or to make specific and full, true, and correct answer to any question within thirty days from the time it is lawfully required by the Commission so to do, or to keep accounts, records, and memoranda in the form and manner prescribed by the Commission, or shall willfully falisfy, destroy, mutilate, or alter any report, account, record, memorandum, book, correspondence, or other document, required under this part to be kept, or who shall willfully neglect or fail to make full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions as required under this part, or shall willfully keep any accounts, records, or memoranda contrary to the rules, regulations, or orders of the Commission with respect thereto, or shall knowingly and willfully file with the Commission any false report, account, record, or memorandum, shall be deemed guilty of a misdemeanor, and upon conviction thereof in any court of the United States of competent jurisdiction within the district in which such offense was in whole or in part committed, be subject for each offense to a fine of not more than $5,000. As used in this subsection, the word "keep" shall be construed to mean made, prepared, or compiled, as well as retained.

"'(e) Any special agent, accountant, or examiner of the Commission who knowingly and willfully divulges any fact or information which may come to his knowledge during the course of any examination or inspection made under authority of section 313, except as he may be directed by the Commission or by a court or judge thereof, shall be guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not more than $500 or imprisonment for a term not exceeding six months, or both.

"'(f) It shall be unlawful for any common carrier by water, or any officer, receiver, trustee, lessee, agent, or employee of such carrier, or for any other person authorized by such carrier or person to receive information, knowingly and willfully to disclose to or permit to be acquired by any person other than the shipper or consignee, without the consent of such shipper or consignee, any information concerning the nature, kind, quantity, destination, consignee, or routing of any property tendered or delivered to such carrier for transportation subject to this part, which information may be used to the detriment or prejudice of such shipper or consignee, or which may or does improperly disclose his business transactions to a competitor; and it shall also be unlawful for any person to solicit or knowingly and willfully receive any such information which may be or is so used. Any person violating any provisions of this subsection shall be guilty of a misdemeanor and upon conviction thereof in any court of the United States of competent jurisdiction within the district in which such offense was in whole or in part committed shall be subject to a fine of not more than $2,000. Nothing in this part shall be construed to prevent the giving of such information in response to any legal process issued under the authority of any court, or to any officer or agent of the Government of the United States or of any State, Territory, or District thereof, in the exercise of his powers, or to any officer or other duly authorized person seeking such information for the prosecution of persons charged with or suspected of crimes, or to another carrier, or its duly authorized agent, for the purpose of adjusting mutual traffic accounts in the ordinary course of business of such carriers.

"'COLLECTION OF RATES AND CHARGES

"'SEC. 318. No common carrier by water shall deliver or relinquish possession at destination of any freight transported by it until all tariff rates and charges thereon have been paid, except under such rules and regulations as the Commission may from time to time prescribe to govern the settlement of all such rates and charges, including rules and regulations for periodical settlement, and to prevent unjust discrimination or undue preference or prejudice: *Provided*, That the provisions of this paragraph shall not be construed to prohibit any such carrier from extending credit in connection with rates and charges on freight transported for the United States, for any department, bureau, or agency thereof, or for any State or Territory or political subdivision thereof, or for the District of Columbia. Where such carrier is instructed by a shipper or consignor to deliver property transported by such carrier to a consignee other than the shipper or consignor, such consignee shall not be legally liable for transportation charges in respect of the transportation of such property (beyond those billed against him at the time of delivery for which he is otherwise liable) which may be found to be due after the property has been delivered to him, if the consignee (1) is an agent only and had no beneficial title in the property, and (2) prior to delivery of the property has notified the delivering carrier in writing of the fact of such agency and absence of beneficial title, and, in the case of a shipment reconsigned or

diverted to a point other than that specified in the original bill of lading, has notified the delivering carrier in writing of the name and address of the beneficial owner of the property. In such cases the shipper or consignor, or in the case of a shipment so reconsigned or diverted, the beneficial owner shall be liable for such additional charges irrespective of any provisions to the contrary in the bill of lading or in the contract under which the shipment was made or handled. An action for the enforcement of such liability may be begun within two years from the time the cause of action accrues, or before the expiration of six months after final judgment against the carrier in an action against the consignee begun within said period. If the consignee has given to the carrier erroneous information as to who is the beneficial owner, such consignee shall himself be liable for such additional charges, notwithstanding the foregoing provisions of this paragraph. An action for the enforcement of such liability may be begun within two years from the time the cause of action accrues, or before the expiration of six months after final judgment against the carrier in an action against the beneficial owner named by the consignee begun within said period. On shipments reconsigned or diverted by an agent who has furnished the carrier with a notice of agency and the proper name and address of the beneficial owner, and where such shipments are refused or abandoned at ultimate destination, the said beneficial owner shall be liable for all legally applicable charges in connection therewith.

"'EMPLOYEES

"'SEC. 319. The Commission is authorized to employ such experts, assistants, special agents, examiners, attorneys, and other employees as in its judgment may be necessary or advisable for the convenience of the public and for the efficient administration of this part. Such examiners shall have power to administer oaths, examine witnesses, and receive evidence.

"'REPEALS

"'SEC. 320. (a) The Shipping Act, 1916, as amended, and the Intercoastal Shipping Act, 1933, as amended, are hereby repealed insofar as they are inconsistent with any provision of this part and insofar as they provide for the regulation of, or the making of agreements relating to, transportation of persons or property by water in commerce which is within the jurisdiction of the Commission under the provisions of this part; and any other provisions of law are hereby repealed insofar as they are inconsistent with any provision of this part.

"'(b) Nothing in subsection (a) shall be construed to repeal—

"'(1) section 205 of the Merchant Marine Act, 1936, as amended, or any provision of law providing penalties for violations of such section 205;

"'(2) the third sentence of section 2 of the Intercoastal Shipping Act, 1933, as amended, as extended by section 5 of such Act, or any provision of law providing penalties for violations of such section 2;

"'(3) the provisions of the Shipping Act, 1916, as amended, insofar as such Act provides for the regulation of persons included within the term "other person subject to this Act", as defined in such Act;

"'(4) sections 27 and 28 of the Merchant Marine Act, 1920, as amended.

"'(c) Nothing in subsection (a) shall be construed to affect the provisions of section 15 of the Shipping Act, 1916, so as to prevent any water carrier subject to the provisions of this part from entering into any agreement under the provisions of such section 15 with respect to transportation not subject to the provisions of this part in which such carrier may be engaged.

"'(d) Nothing in this part shall be construed to affect any law of navigation, the admiralty jurisdiction of the courts of the United States, liabilities of vessels and their owners for loss or damage, or laws respecting seamen, or any other maritime law, regulation, or custom not in conflict with the provisions of this part.

"'(e) Subsection (e) of section 3 of the Inland Waterways Corporation Act of June 7, 1924, as amended (U. S. C., title 49, sec. 153 (e)), is hereby repealed as of October 1, 1940: *Provided, however,* That (1) any certificate of public convenience and necessity granted to any carrier pursuant to the provisions of such subsection (e) shall continue in effect as though issued under the provisions of section 309 of the Interstate Commerce Act, as amended; and (2) through routes and joint rates, and rules, regulations, and practices relating thereto, put into effect pursuant to the provisions of such subsection (e) shall, after the repeal of such subsection (e), be held and considered to have been put into effect pursuant to the provisions of the Interstate Commerce Act, as amended.

"'TRANSFER OF EMPLOYEES, RECORDS, PROPERTY, AND APPROPRIATIONS

"'SEC. 321. (a) Such officers and employees of the United States Maritime Commission as the President shall determine to have been employed in the administration of the provisions of law repealed by section 320, and whose retention by the United States Maritime Commission is not necessary, in the opinion of the President, for the performance of other duties, are transferred to the Interstate Commerce Commission upon such date or dates as the President shall specify by Executive order. Such transfer of such personnel shall be without reduction in classification or compensation, except that this requirement shall not operate after the end of the fiscal year during which such transfer is made to prevent the adjustment of classification or compensation to conform to the duties to which such transferred personnel may be assigned.

"'(b) All files, reports, records, tariff schedules, property (including office furniture and equipment), contracts, agreements, documents, or papers kept or used by, made to, or filed with the United States Maritime Commission under or in the administration of any provision of law repealed by this part, are hereby transferred to the jurisdiction and control of the Interstate Commerce Commission, and may be used for such purposes as the Interstate Commerce Commission may deem necessary in the administration of this part; except that in the case of files, reports, records, tariff schedules, contracts, agreements, documents, or papers, the retention of which is necessary for purposes of the administration by the United States Maritime Commission of matters within its jurisdiction, the furnishing to the Interstate Commerce Commission of copies thereof shall constitute sufficient compliance with the provisions of this subsection.

"'(c) All appropriations and unexpended balances of appropriations available for expenditure by the United States Maritime Commission in the administration of any provision of law repealed by this part shall be available for expenditure by the Interstate Commerce Commission for any objects of expenditure authorized by this part, in the discretion of the Interstate Commerce Commission, without regard to the requirement of apportionment under the Anti-Deficiency Act of February 27, 1906.

"'EXISTING ORDERS, RULES, TARIFFS, AND SO FORTH; PENDING MATTERS

"'SEC. 322. (a) Notwithstanding the provisions of section 320, or any other provision of this part, all orders, rules, regulations, permits, tariffs (including rates, fares, charges, classifications, rules, and regulations relating thereto), contracts, or agreements, to the extent that they were issued, authorized, approved, entered into, or filed under any provision of law repealed by this part, and are still in effect, shall continue in force and effect according to the terms thereof as though this part had not been enacted, except that the Commission may modify, set aside, or rescind any such order, rule, regulation, permit, tariff, contract, or agreement to the extent that it finds the same to be in violation of any provision of this part or inconsistent with the national transportation policy declared in this Act.

"'(b) Any proceeding, hearing, or investigation commenced or pending before the United States Maritime Commission at the time this section takes effect, to the extent that it relates to the administration of any provision of law repealed by this part, shall be continued or otherwise acted upon by the Commission as though such proceeding, hearing, or investigation had been instituted under the provisions of this part.

"'(c) Any pending judicial proceeding arising under any provision of law repealed by the provisions of this part shall be continued, heard, and determined in the same manner and with the same effect as if this part had not been enacted; except that in the case of any such proceeding to which the United States Maritime Commission is a party, the court, upon motion or supplemental petition, may direct that the Commission be substituted for the United States Maritime Commission as a party to the proceeding or made an additional party thereto.

"'SEPARABILITY OF PROVISIONS

"'SEC. 323. If any provision of this part or the application thereof to any person, or commerce, or circumstance is held invalid, the remainder of the part and the application of such provision to other persons, or commerce, or circumstances shall not be affected thereby.'

"TIME EFFECTIVE

"SEC. 202. Part III of the Interstate Commerce Act shall take effect on the date of the enactment of this Act, except that sections 304 (c), 305 to 308, inclusive, 309 (a) and (f), 313 to 318, inclusive, 320, 321, and 322 shall take effect on the 1st day of October 1940: *Provided, however,* That the Interstate Commerce Commission shall, if found by it necessary or desirable in the public interest, by general or special order postpone the taking effect of any of the provisions above enumerated to such time, but not beyond the 1st day of January 1942, as the Commission shall prescribe.

"TITLE III—MISCELLANEOUS

"PART I—INVESTIGATION OF VARIOUS MODES OF TRANSPORTATION

"SEC. 301. There is hereby established a board of investigation and research (hereinafter referred to as the 'Board') to be composed of three members who shall be appointed by the President, by and with the advice and consent of the Senate, for the period of the existence of the Board as hereinafter provided. Not more than two members of said Board shall be members of the same political party. The President shall designate the member to act as Chairman of the Board and the Board may elect another of its members as Vice Chairman, who shall act as Chairman in the case of absence or incapacity of the Chairman. A majority of the Board shall constitute a quorum and the powers conferred upon the Board by this section may be exercised by a majority vote of its members. A vacancy on the Board shall not affect the powers of the remaining members to execute the functions of the Board, and shall be filled in the same manner as the original selection. The members of the Board shall receive compensation at the rate of $10,000 per annum, and in addition shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the exercise of the functions vested in the Board. Carriers by railroad, motor carriers, and water carriers shall be permitted to provide free transportation and other carrier service to the Board and its employees while traveling on official business, regardless of any provisions in the Interstate Commerce Act, as amended,

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restricting such carriers from furnishing free transportation or service.

"SEC. 302. (a) It shall be the duty of the Board to investigate—

"(1) the relative economy and fitness of carriers by railroad, motor carriers, and water carriers for transportation service, or any particular classes or descriptions thereof, with the view of determining the service for which each type of carrier is especially fitted or unfitted; the methods by which each type can and should be developed so that there may be provided a national transportation system adequate to meet the needs of the commerce of the United States, of the Postal Service and of the national defense;

"(2) the extent to which right-of-way or other transportation facilities and special services have been or are provided from public funds for the use, within the territorial limits of the continental United States, of each of the three types of carriers without adequate compensation, direct or indirect, therefor, and the extent to which such carriers have been or are aided by donations of public property, payments from public funds in excess of adequate compensation for services rendered in return therefor, or extensions of Government credit; and

"(3) the extent to which taxes are imposed upon such carriers by the United States, and the several States, and by other agencies of government, including county, municipal, district, and local agencies.

"(b) The Board is further authorized, in its discretion, to investigate or consider any other matter relating to rail carriers, motor carriers, or water carriers, which it may deem important to investigate for the improvement of transportation conditions and to effectuate the national transportation policy declared in the Interstate Commerce Act, as amended.

"SEC. 303. The Board is authorized to employ, without regard to the civil service laws or the Classification Act, 1923, as amended, a secretary who shall receive compensation at the rate of $7,500 per annum and a general counsel who shall receive compensation at the rate of $9,000 per annum; and to employ, without regard to the civil service laws, a clerk to each member of the Board. The Board is also authorized to employ such experts, assistants, special agents, examiners, attorneys, and other employees as in its judgment may be necessary for the performance of its duties, and is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies.

"SEC. 304. (a) The Board and its agents shall at all times have access to all accounts, records, and memoranda of the carriers and to their properties, and it shall be the duty of the carriers to furnish the Board or its agents, such information and reports as it may desire in investigating any matter within the scope of its duties.

"(b) For the purpose of carrying out the provisions of this part the Board may seek information from such sources and conduct its investigations in such manner as it deems advisable in the interest of a correct ascertainment of the facts, and the Board and its examiners shall be entitled to exercise the same powers with respect to conducting hearings and requiring the attendance of witnesses and the production of books, papers, correspondence, memoranda, contracts, agreements, or other records and documents as are conferred upon the Interstate Commerce Commission and its examiners by sections 17 and 12 of the Interstate Commerce Act, as amended, and the provisions of paragraphs (3), (4), and (7) of section 12 of such Act shall be applicable to all persons summoned by subpena or otherwise to attend and testify or to produce books, papers, correspondence, memoranda, contracts, agreements, or other records and documents before the Board.

"SEC. 305. On or before May 1, 1941, the Board shall transmit to the President and to the Congress preliminary reports of the studies and investigations carried on by it, together with such findings and recommendations as it is by that time prepared to make. In addition to such preliminary reports the Board shall submit to the President and to the Congress an annual report, a final report, and such other reports as it may deem necessary, of the studies and investigations carried out by it pursuant to the provisions of this section, together with its findings and recommendations based thereon.

"SEC. 306. This part shall cease to have effect at the end of two years after its enactment unless extended by a proclamation of the President for an additional period which shall not exceed two years.

"PART II—RATES ON GOVERNMENT TRAFFIC

"GOVERNMENT TO PAY FULL RATES

"SEC. 321. (a) Notwithstanding any other provision of law, but subject to the provisions of sections 1 (7) and 22 of the Interstate Commerce Act, as amended, the full applicable commercial rates, fares, or charges shall be paid for transportation by any common carrier subject to such Act of any persons or property for the United States, or on its behalf, except that the foregoing provision shall not apply to the transportation of military or naval property of the United States moving for military or naval and not for civil use or to the transportation of members of the military or naval forces of the United States (or of property of such members) when such members are traveling on official duty; and the rate determined by the Interstate Commerce Commission as reasonable therefor shall be paid for the transportation by railroad of the United States mail: *Provided, however,* That any carrier by railroad and the United States may enter into contracts for the transportation of the United States mail for less than such rate: *Provided further,* That section 3709, Revised Statutes (U. S. C., 1934 edition, title 41, sec. 5), shall not hereafter be construed as requiring advertising for bids in connection with the procurement of transportation services when the services required can be procured from any common carrier lawfully operating in the territory where such services are to be performed.

"(b) If any carrier by railroad furnishing such transportation, or any predecessor in interest, shall have received a grant of lands from the United States to aid in the construction of any part of the railroad operated by it, the provisions of law with respect to compensation for such transportation shall continue to apply to such transportation as though subsection (a) of this section had not been enacted until such carrier shall file with the Secretary of the Interior, in the form and manner prescribed by him, a release of any claim it may have against the United States to lands, interests in lands, compensation, or reimbursement on account of lands or interests in lands which have been granted, claimed to have been granted, or which it is claimed should have been granted to such carrier or any such predecessor in interest under any grant to such carrier or such predecessor in interest as aforesaid. Such release must be filed within one year from the date of the enactment of this Act. Nothing in this section shall be construed as requiring any such carrier to reconvey to the United States lands which have been heretofore patented or certified to it, or to prevent the issuance of patents confirming the title to such lands as the Secretary of the Interior shall find have been heretofore sold by any such carrier to an innocent purchaser for value or as preventing the issuance of patents to lands listed or selected by such carrier, which listing or selection has heretofore been fully and finally approved by the Secretary of the Interior to the extent that the issuance of such patents may be authorized by law.

"DEDUCTION OF OVERPAYMENTS

"SEC. 322. Payment for transportation of the United States mail and of persons or property for or on behalf of the United States by any common carrier subject to the Interstate Commerce Act, as amended, or the Civil Aeronautics Act of 1938, shall be made upon presentation of bills therefor, prior to audit or settlement by the General Accounting Office, but the right is hereby reserved to the United States Government to deduct the amount of any overpayment to any such carrier from any amount subsequently found to be due such carrier.

"PART III—AMENDMENTS TO RECONSTRUCTION FINANCE CORPORATION ACT

"SEC. 331. (a) Section 5 of the Reconstruction Finance Corporation Act, as amended, is amended by amending that portion of the third sentence, of the third paragraph, which precedes the last proviso in such sentence to read as follows: "Within the foregoing limitations of this section, the Corporation, notwithstanding any limitation of law as to maturity, with the approval of the Interstate Commerce Commission, including approval of the price to be paid, may, to aid in the financing, reorganization, maintenance, or construction thereof, purchase for itself, or for account of a railroad obligated thereon, the obligations of railroads engaged in interstate commerce, or of receivers or trustees thereof, including equipment trust certificates, or guarantee the payment of the principal of, and/or interest on, such obligations, including equipment trust certificates, or, when, in the opinion of the Corporation, funds are not available on reasonable terms through private channels, make loans, upon full and adequate security, to such railroads or to receivers or trustees thereof for the purposes aforesaid: *Provided,* That in the case of loans to or the purchase or guarantee of obligations, including equipment trust certificates, of railroads not in receivership or trusteeship, the Interstate Commerce Commission shall, in connection with its approval thereof, also certify that such railroad, on the basis of present and prospective earnings, may reasonably be expected to meet its fixed charges, without a reduction thereof through judicial reorganization, except that such certificate shall not be required in case of such loans, purchases, or guaranties made for the maintenance of, or purchase of equipment for, such railroads: *Provided further,* That for the purpose of determining the general funds of the Corporation available for further loans or commitments, such guaranties shall, to the extent of the principal amount of the obligations guaranteed, be interpreted as loans or commitments for loans: *And provided further,* That the total amount of loans and commitments to railroads, receivers, and trustees, and purchases and guaranties of obligations of railroads, under this paragraph, as amended, shall not exceed at any one time $500,000,000, in addition to loans and commitments made prior to January 31, 1935, and renewals of loans and commitments so made:'.

"(b) Such section 5, as amended, is further amended by adding at the end of the third paragraph thereof the following sentence: 'The title of any owner, whether as trustee or otherwise, to any property leased or conditionally sold to a railroad, or a receiver or trustee thereof, which the Corporation has financed, or in the financing of which the Corporation has aided, any right of such owner to take possession of such property in compliance with the provisions of any such lease or conditional sales contract, and the title of any owner of a collateral note evidencing a loan from the Corporation to a railroad not now in receivership or involved in proceedings under section 77 of the Bankruptcy Act, or a receiver or trustee thereof, and the right of any such owner to acquire title to the collateral securing such note, free and clear of any

equity of redemption, in compliance with the contract of pledge, and thereafter to deal with the same as the absolute owner thereof, shall not be affected, restricted, or restrained by or pursuant to the provisions of the Act of July 1, 1898, entitled "An Act to establish a uniform system of bankruptcy throughout the United States", as amended, or by or pursuant to any other provision of law applicable to any proceedings thereunder.'

"(c) The first sentence of section 3 of the Act approved January 31, 1935 (49 Stat., ch. 2, pp. 1–2), is hereby amended by striking out 'January 31, 1945' and inserting in lieu thereof 'January 31, 1955'."

And the House agreed to the same.

That the title of the bill be amended to read as follows: "An Act to amend the Act to regulate commerce, approved February 4, 1887, as amended, so as to provide for unified regulation of carriers by railroad, motor vehicle, and water, and for other purposes."

CLARENCE F. LEA,
ROBERT CROSSER,
ALFRED L. BULWINKLE,
WILLIAM P. COLE, JR.,
CHARLES A. WOLVERTON,
PEHR G. HOLMES,
CHARLES A. HALLECK,
Managers on the part of the House.

BURTON K. WHEELER,
HARRY S. TRUMAN,
VIC DONAHEY,
WALLACE H. WHITE, JR.,
CLYDE M. REED,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2009), to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, 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:

The House amendment strikes out all of the Senate bill after the enacting clause. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the House amendment and the substitute agreed to in conference are noted in the following statement, except for incidental changes made necessary by reason of agreements reached by the conferees, and minor clarifying changes.

Section 2 (b). Definition of control

This subsection inserts in paragraph (3) of section 1 of the Interstate Commerce Act a definition of control which will apply in certain specified sections of the act where that term is used in referring to a relationship between any person or persons and another person or persons. Since the term "person" is defined to include artificial as well as natural persons, the definition of control will cover relationships between corporations, companies, associations, etc.

The definition of control was made to apply only in the specified sections because it was thought undesirable to make any change in the interpretation of present law in certain other provisions of the act, notably section 1 (1) (a) and section 15 (4). The application of this definition of control will in most cases be in connection with the use in the sections to which it applies of the phrase "controlling, controlled by, or under common control with" a carrier. This phrase has been used because it has recently had the benefit of interpretation by the Supreme Court in the case of *Rochester Telephone Corp.* v. *United States* (307 U. S. 125, decided April 17, 1939).

The definition has been made to apply to sections 5 and 213 of the Interstate Commerce Act which already contain certain definitions of control. In view of the decision not to amend section 5, and of the fact that the new definition will as a matter of law constitute nothing more than a duplication of the definitions in sections 5 and 213, it was felt that the most consistent thing to do was to make the new definition applicable to those sections as well as the other sections specified.

Regulation of forwarding carriers

Section 2 of the House amendment amended section 1 (3) of the Interstate Commerce Act so as to bring forwarding carriers under regulation as common carriers subject to part I of the Interstate Commerce Act. The Senate bill did not provide for regulation of forwarding carriers.

The conference substitute does not provide for the regulation of forwarding carriers.

The conferees were friendly to the proposal of providing legislation for the regulation for forwarding carriers. Senate Resolution No. 146 provided for a special investigation of this subject; but in view of the fact that the House had held hearings on a bill regulating forwarding carriers and reported definite legislation thereon, it was agreed that separate bills would be filed (which has been done) in each House and that the respective committees having jurisdiction would take up their consideration with the view of attempting to work out practical legislation at an early date. The consideration of this legislation recently introduced in the Senate will be taken up in lieu of the investigation heretofore directed and authorized under the resolution referred to.

Section 2 (d). Exchange of services between carriers and telephone, telegraph, and cable companies

The conference substitute in section 2 (d) amends section 1 (5) of the Interstate Commerce Act, which contains a proviso to the effect that nothing in part I shall be construed to prevent telephone, telegraph, and cable companies from entering into contracts with common carriers for the exchange of service. The amendment strikes out the proviso and adds a separate provision reading as follows:

"Nothing in this act shall be construed to prevent any common carrier subject to this act from entering into or operating under any contract with any telephone, telegraph, or cable company for the exchange of their services."

This change was made in consideration of the fact that there is a provision in section 201 (b) of the Communications Act of 1934 to the effect that nothing in that act or in any other provision of law shall be construed to prevent a common carrier subject to that act from entering into any contract with any common carrier not subject thereto for exchanges of services if the Federal Communications Commission is of the opinion that such contract is not contrary to the public interest.

Section 3. Transportation, free or at reduced rates

The House amendment in section 4 amended the free-pass and free-transportation provision of present law (sec. 1 (7), Interstate Commerce Act) to permit free transportation of certain additional classes of persons. The conference substitute in section 3 eliminates "agents" from the class of persons to whom free transportation may be given under sections 1 (7) and 22 of the Interstate Commerce Act. The substitute also includes a provision from the Senate bill extending the privilege of free transportation to additional classes of Post Office Department employees.

Section 3 (d) and (e). Repeal of certain provisions in section 22 of the Interstate Commerce Act

The conference substitute contains in section 3 (d) provisions repealing the last sentence of paragraph (1) of section 22 of the Interstate Commerce Act, relating to the authority of carriers by railroad to grant reduced rates with the objective of improving Nation-wide housing standards and providing employment and stimulating industry.

Section 3 (e) repeals paragraphs (2) and (3) of such section 22 which authorizes the Commission to require carriers by railroad to issue interchangeable mileage or scrip coupon tickets. This latter provision is repealed because it is not necessary in view of the provisions of present law in section 22 (1) which authorizes the issuance of interchangeable 5,000-mile tickets.

Section 4 (a). Car service; protective service

Section 5 of the House amendment amended section 1 (14) of the Interstate Commerce Act so as to make it clear that the Commission's jurisdiction with respect to car service and the compensation to be paid for the use of any car now owned by the carrier using it includes a car of private as well as of carrier ownership. The conference substitute in section 4 (a) retains this change in present law and also gives the Commission increased authority as to the terms of any contract, agreement, or arrangement for the use of any locomotive, car, or other vehicle. The conference substitute adds a new subparagraph (b) to section 1 (14) requiring approval of the Commission in the case of contracts for the furnishing to common carriers by railroad, or to express companies, of protective service against heat or cold.

Section 4 (b). Bribery in car service matters

The conference substitute in section 4 (b), which is new, amends section 1 (17) of the present law so as to prohibit any person from giving a bribe to any person acting for or employed by any carrier by railroad with intent to influence his decision or action with respect to car service and prohibits any person acting for or employed by such carrier to receive any bribe in connection with car service. It provides a penalty of not more than $1,000 or imprisonment for a term of not exceeding 2 years, or both.

Section 4 (c). Spur, industrial, team, switching, or side tracks

Section 1 (18) of the present law provides for the issuance of a certificate of public convenience and necessity to a carrier by railroad which undertakes to extend its line or to construct a new line, etc. The conference substitute, in section 4 (c), adds a new sentence providing that nothing in this paragraph or in section 5 shall be construed to prohibit the making of contracts between carriers by railroad, without the approval of the Commission, for the joint ownership or joint use of spur, industrial, team, switching, or side tracks.

Consolidations, mergers, acquisitions of control, etc.

The House amendment in section 8 and the Senate bill in section 49 provided for the revision of the provisions of sections 5 and 213 of the Interstate Commerce Act relating to consolidations, mergers, acquisitions of control, etc., and made such revised section apply to all types of carriers subject, and proposed to be made subject, to the Interstate Commerce Act.

These provisions were designed to facilitate consolidation of carriers.

The conference substitute provides for the retention of sections 5 and 213 as they are in the present law. No provision relating to consolidations, mergers, acquisitions of control, etc., is included in the new part III with respect to water carriers subject to that part.

It was felt that it is unnecessary to include such a provision in part III.

The revised section 5 as included in the House amendment provided for modification of paragraph (1) of section 5 relating to pooling, and for modification of paragraphs (17) to (21), which contain the so-called Panama Canal Act provisions. As a result of the decision of the conference committee to leave section 5 of the present law unamended the conference substitute does not make the changes in these provisions which were incorporated in the House amendment.

Therefore, the existing law as to consolidations remains and the provisions of the bill as it passed the House, intended to facilitate consolidations, are omitted from the legislation. The word "consolidation" is stricken from the purposes for which the Reconstruction Finance Corporation loans may be made under section 5 of the Reconstruction Finance Corporation Act as amended by section 331 (a) of this bill.

These omitted provisions as to consolidation included the Harrington amendment which was adopted on the floor of the House. This amendment was adopted by the House as a protection against displacement of employees due to the consolidations that might result from the provisions of section 5. Employees had a fear of unemployment and to some extent communities feared the loss of transportation due to the possible consolidations under present circumstances where a revival of the transportation industry might show that such consolidations were unwarranted.

Undoubtedly it is against the best interest of the country to eliminate transportation facilities that may be temporary surplus facilities but have the economic need and justification under normal economic conditions.

In any event the elimination of the consolidation provision from the bill obviates the necessity of guarding against the possible unemployment that might otherwise have resulted from these provisions.

Section 5. Undue preference and undue prejudice

Section 6 of the House amendment amended section 3 (1) of the Interstate Commerce Act, which makes it unlawful for any common carrier subject to part I to give any undue preference, or cause undue prejudice, to any person, locality, port, port district, gateway, or transit point, or to any particular description of traffic. The House amendment added the words "region, district, territory" to the list of places and localities.

The conference substitute in section 5 retains this amendment and adds a proviso that this paragraph shall not be construed to apply to discrimination, prejudice, or disadvantage to the traffic of any other carrier of whatever description.

A similar proviso is contained in section 216 (d) of part II with respect to common carriers by motor vehicle, and in section 305 (c) of new part III with respect to common carriers by water.

Section 5 (c) and (d). Liability for legally applicable charges

The conference substitute, in a new provision in section 5 (c), amends paragraph (2) of section 3 of the Interstate Commerce Act by adding two sentences providing that in case of a shipment transported by a carrier by railroad which has been reconsigned or diverted by an agent who has furnished the carrier in the reconsignment or diversion order with a notice of agency and the proper name and address of the beneficial owner, and where shipment is refused or abandoned at ultimate destination, the beneficial owner shall be liable for all legally applicable charges. If the reconsignor or diverter, however, has given erroneous information as to who the beneficial owner is, such reconsignor or diverter shall himself be liable for such charges.

The House amendment in section 6 thereof amended section 3 of the Interstate Commerce Act by adding a new paragraph (3) which relieved from liability for transportation charges a consignor (who is also the consignee named in the bill of lading) who, prior to the time of delivery, notified in writing a delivering carrier by railroad or by express (*a*) to deliver such property at destination to another party, (*b*) that such party was the beneficial owner, and (*c*) that delivery was to be made to such party only upon payment of all transportation charges in respect of the transportation of such property, and delivery was made by the carrier to such party without such payment. The party to whom delivery was so made (if such party was the beneficial owner) was made liable for such transportation charges and for any additional charges which might be found to be due after delivery of the property. If the consignor, however, gave the delivering carrier erroneous information as to who the beneficial owner was, such consignor was made liable for such transportation charges.

The conference substitute in section 5 (d) retains these provisions except that in making liable for charges the party to whom delivery is made it omits the phrase "(if such party is the beneficial owner)" and, in addition, provides that if the party to whom delivery is made has, prior to such delivery, notified in writing the delivering carrier that he is not the beneficial owner of the property and has given the delivering carrier in writing the name and address of such beneficial owner, such party shall not be liable for any additional charges which may be found to be due after delivery of the property; but if the party to whom delivery is made has given to the carrier erroneous information as to the beneficial owner, such party shall nevertheless be liable for such additional charges.

Section 5 (f). Joint use of terminal facilities

The conference substitute, in section 5 (f), amends section 3 (4) of the Interstate Commerce Act which authorizes the Commission to require, in the public interest, the use of the terminal facilities of a carrier subject to part I by another carrier or carriers at a just and reasonable compensation. The amendment limits the provisions of this section so as to make them apply only to common carriers by railroad.

Export rates on agricultural commodities

By the provisions of section 6 of the House amendment a new paragraph was added to section 3 of the Interstate Commerce Act, as follows:

"(1a) It is hereby declared to be the policy of Congress that shippers of wheat, cotton, and all other farm commodities for export should have substantially the same advantage of reduced rates, as compared to shippers of such commodities not for export, that are in effect in the case of shipment of industrial products for export as compared with shipment of industrial products not for export, and the Interstate Commerce Commission is hereby directed to institute such investigations, to conduct such hearings, and to issue orders making such revision of rates as may be necessary for the purpose of carrying out such policy."

This provision is omitted from the conference substitute.

There was no similar provision in the Senate bill. This provision was adopted as an amendment on the floor of the House.

The law as to fixing export rates is the same for agricultural as for industrial products. There is no practical basis of comparison from the standpoint of discrimination between the two classes of products because they are not in competition with each other. If in any given case a product in one class has a more favorable rate than one in the other class the remedy is not under the discrimination rule, but is governed by the question of whether or not the rate asked for on the particular product is reasonable.

Most export rates are established by voluntary action of the carrier and not by order of the Commission. The carrier's rate if not protested may be below the rate which the Commission is authorized to require. A competing carrier of the product can, by showing that the rate is unreasonably low get the Commission to declare it unlawful.

Under section 5 of the bill which rewrites section 3 (1) of the Interstate Commerce Act, a common carrier is prohibited from giving undue or unreasonable preference and advantage as between any particular description of traffic in any respect whatever or subject any traffic to unreasonable prejudice or disadvantage.

Under section 5, subdivision (b), which is part of the Ramspeck amendment, an investigation is authorized into the rates on manufactured products and agricultural commodities and raw materials to ascertain if such rates are unlawful in any respect or in their relation to each other. The Commission is authorized to enter orders that may be appropriate for the removal of such unlawfulness.

Therefore, the existing law together with the provisions embodied in this bill affords remedies for what is attempted to be accomplished by the omitted House provisions as to export rates.

Section 6. Long-and-short-haul provision

The conference substitute, in section 6, amends section 4 (1) of the Interstate Commerce Act.

The effect of the amendment is to extend the provisions of section 4 (1), which contains the long-and-short-haul provision and the aggregate-of-intermediate-rates provision, so that they will apply to common carriers by water subject to part III as well as to common carriers subject to part I. It repeals the "equidistant" clause, which reads as follows:

"and if a circuitous rail line or route is, because of such circuity, granted authority to meet the charges of a more direct line or route to or from competitive points and to maintain higher charges to or from intermediate points on its line, the authority shall not include intermediate points as to which the haul of the petitioning line or route is not longer than that of the direct line or route between the competitive points;"

A new proviso is added, as follows:

"*And provided further*, That tariffs proposing rates subject to the provisions of this paragraph may be filed when application is made to the Commission under the provisions hereof, and in the event such application is approved, the Commission shall permit such tariffs to become effective upon one day's notice."

Section 7 (c) and (d). Arrangements with water carriers operating to foreign ports

The conference substitute in section 7 (c) and (d) amends section 6 (13) of the Interstate Commerce Act which provides that if any carrier by railroad enters into an arrangement with any water carrier operating from a port in the United States to a foreign country for handling through business between interior points of the United States and such foreign country, the Commission may require such rail carrier to enter into similar arrangements with any and all other lines of steamships operating from the said port to the same foreign country.

The amendment repeals the present paragraph (d) and embodies these provisions, with amendments, in a new paragraph (12) of such section 6, applicable to any common carrier subject to the act which enters into such arrangements.

Section 8 (a). Authority of Commission to inquire into the management of persons controlling carriers

Section 12 (1) of the present act grants the Commission authority to inquire into the management of the business of all common carriers subject to part I. The conference substitute in section 8 (a) amends such section 12 (1) by granting the Com-

mission power also to inquire into and report on the management of the business of persons controlling, controlled by, or under a common control with, such carriers to the extent that the business of such persons is related to the management of the business of one or more such carriers. The Commission is authorized to obtain from such persons such information as the Commission deems necessary to carry out the provisions of part I; and to transmit to Congress from time to time such recommendations, including recommendations as to additional legislation, as the Commission considers necessary.

The same power is granted the Commission in amended section 204 (a) (7) of part II with respect to such persons in relation to motor carriers and in section 304 (b) of new part III in relation to water carriers.

Section 9 (b). Limitation on "short hauling" a rail carrier

Section 15 (4) of the Interstate Commerce Act imposes a restriction upon the authority of the Commission to establish through routes over railroad lines. The Commission is prohibited from requiring "any carrier by railroad, without its consent, to embrace in such route substantially less than the entire length of its railroad and of any intermediate railroad operated in conjunction and under a common management or control therewith, which lies between the termini of such proposed through route." There are four exceptions, or conditions, under which the restriction does not apply. First, where such inclusion of lines would make the through route unreasonably long as compared with another practicable through route which could otherwise be established; second, where one of the carriers is a water line; third, where there is involved a matter arising under the provisions of section 3 which, among other things, relate to undue preference of, or undue prejudice to, persons, localities, or traffic, discriminations in the interchange of traffic, and requirements by the Commission with respect to common use of terminals; and fourth, where the establishment of temporary through routes are necessary or desirable in the public interest in time of shortage of equipment, congestion of traffic, or other emergency declared by the Commission.

The House amendment made no change in the short-haul provisions of section 15 (4) and the exceptions thereto. The conference substitute in section 9 (b) retains them and includes another exception by providing that the restriction against short hauling a rail carrier shall not apply where the Commission finds that the through route proposed to be established is needed in order to provide adequate and more efficient or more economic transportation. The Commission in the exercise of this additional authority is directed to give reasonable preference in any particular case to the carrier by railroad which originates the traffic, so far as is consistent with the public interest and subject to the limitations with respect to unreasonably long routes and the necessity of providing adequate and more efficient or more economic transportation. The Commission is prohibited from establishing any through route and joint rates applicable thereto for the purpose of assisting any carrier that would participate therein to meet its financial needs.

A further amendment is made to the through routes provision by providing in section 15 (3) of the Interstate Commerce Act a provision that if any tariff or schedule canceling any through route or joint rate, fare, charge, or classification, without the consent of all carriers parties thereto or authorization by the Commission, is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancelation to show that it is consistent with the public interest, without regard to the short-haul provisions of section 15 (4).

Section 9 (c). Burden of proof on change of rates

The conference substitute in section 9 (c) amends section 15 (7) of the Interstate Commerce Act. The effect of the amendment is to place the burden of proof upon a carrier subject to part I to show that any proposed change made by it in a rate, fare, charge, classification, rule, regulation, or practice is just and reasonable, at any hearing involving such change. The provision in existing law places this burden upon the carrier only where the carrier proposes to increase a rate, fare, or charge.

A similar change is made in section 216 (g) with respect to a proposed change made by a common carrier by motor vehicle in its rate, fare, charge, classification, or rule, regulation, or practice; in section 218 (c) with respect to any proposed new rate or any reduced charge made by a contract carrier by motor vehicle; and in section 307 (g) and (i) of new part III with respect to carriers by water.

Section 9 (d). Allowances

Section 15 (13) of the Interstate Commerce Act authorizes carriers subject to part I to pay allowances to the owner of property transported for any service or instrumentality furnished by such owner in connection with the transportation. The conference substitute in section 9 (d) provides that such charge and allowance shall be published in tariffs or schedules filed in the manner provided in the Interstate Commerce Act.

The conference substitute in section 225 of part II adds a similar provision with respect to charges and allowances paid by motor carriers, and in section 314 of part III with respect to charges and allowances paid by water carriers.

Section 9 (e). Rule of rate making for rail carriers

The conference substitute in section 9 (e) amends paragraph 2 of section 15a of the Interstate Commerce Act to read as follows, inserting the words "by the carrier or carriers for which the rates are prescribed":

"(2) In the exercise of its power to prescribe just and reasonable rates the Commission shall give due consideration, among other factors, to the effect of rates on the movement of traffic by the carrier or carriers for which the rates are prescribed; to the need, in the public interest, of adequate and efficient railway transportation service at the lowest cost consistent with the furnishing of such service; and to the need of revenues sufficient to enable the carriers, under honest, economical, and efficient management, to provide such service."

Section 10 (b). Service of notice

The conference substitute in section 10 (b) amends section 16 (5) of the Interstate Commerce Act, which relates to the service of orders upon the designated agent in Washington of a carrier subject to part I, by providing that in proceedings before the Commission involving the lawfulness of rates, fares, charges, classifications, or practices, service of notice upon an attorney in fact of a carrier who has filed a tariff or schedule in behalf of such carrier shall be deemed sufficient service upon the carrier, except where the carrier has designated an agent in Washington upon whom service of notices and processes may be made.

Section 11. Commission procedure

Section 13 of the House amendment rewrote section 17 of the Interstate Commerce Act, which deals with the administrative disposition of matters coming within the Commission's jurisdiction. The revision included matter in sections 204 (e) and 205 (a) which contained provisions dealing with procedural matters under part II of the Interstate Commerce Act relating to motor-carrier proceedings. Such sections 204 (e) and 205 (a) were repealed. Among other things, the revised section 17 provided for the assignment of work or functions to an individual commissioner, an examiner, or board of examiners.

The provisions of this section of the House bill are retained in the conference substitute in section 11, but modifications are made therein, the more important of which are as follows:

1. The Commission may not, under the rewritten section, assign work or functions to an individual examiner, except to the extent that such assignment is already permitted under part II of the Interstate Commerce Act.

2. Instead of providing for the assignment of work or functions to boards of examiners, the rewritten section provides for assignment thereof to boards of employees. The employees who are eligible to serve are examiners, directors or assistant directors of bureaus, chiefs of sections, and attorneys.

3. The secretary to the Commission is given authority to administer oaths and sign subpenas.

4. A new paragraph (9) is included providing that orders of a division, an individual Commissioner, or a board shall be subject to judicial review as in the case of full Commission orders, after an application for rehearing has been made and acted upon.

5. The rewritten section includes a provision taken from the Senate bill, authorizing the Commission to promulgate regulations relating to admission to practice before it and authorizing the Commission to impose a reasonable fee in connection with such admission, such fees to be deposited in the Treasury of the United States.

Section 12 (A). Accounts, records, and reports

The conference substitute amends section 20 of the Interstate Commerce Act which relates to accounts, records, reports, etc., of carriers subject to part I. The principal change is that which gives the Commission or its agents authority to inspect and copy accounts, books, records, memoranda, correspondence, and other documents of any person controlling, controlled by, or under common control with any such carrier, as the Commission deems relevant to such person's relation to or transactions with such carriers. The provision in the present law that the Commission may require annual, periodical, or special reports from the owners of railroads and prescribe the manner in which such reports shall be made, is amended so as to make such provisions apply to a lessor, which is defined to mean a person owning a railroad, a water line, or a pipe line, leased to and operated by such common carrier. The provision in present law which authorizes the Commission to require from such carriers specific answers to questions upon which the Commission may need information is amended by providing that the Commission may require from such carriers and lessors specific and full, true, and correct answers to such questions. Certain other changes are made with respect to the matter to be contained in annual reports and the time within which annual reports shall be filed with the Commission.

An additional provision is added which authorizes the Commission or its agents to inspect and copy the accounts, books, records, memoranda, correspondence, and other documents of persons which furnish cars or protective service against heat or cold to any carrier by railroad or express company. This authority is limited to accounts, etc., which pertain or relate to the cars or protective service so furnished. The Commission may prescribe the forms of accounts, records, and memoranda which it is authorized by this paragraph to inspect and copy and to require the persons furnishing such cars or service to submit such reports and specific and full, true, and correct answers to such questions relative to such cars or service as the Commission deems necessary. Certain other changes of lesser importance are included in the amended section.

Penalties are provided for violations of the new requirements included in the amended section.

The conference substitute in section 12 (a) amends paragraph (8) of section 20 of the Interstate Commerce Act, which provides a penalty in the case of an examiner who divulges any information which may come to his knowledge during the course of examination of accounts, records, etc., by providing specifically that

the offense shall be a misdemeanor and reducing the maximum penalty now provided by law from $5,000 to $500 and from 2 years' imprisonment to 6 months' imprisonment.

Section 12 (b). Liability for loss and damage

The conference substitute amends section 20 (11) of the Interstate Commerce Act which provides that any receiving or delivering carrier subject to part I shall be liable (except as provided in the paragraph) for the full actual loss or damage to property transported. The paragraph contains a proviso to the effect that if the loss or damage occurs while the property is in the custody of a carrier by water the liability of the carriers concerned shall be determined by the laws and regulations applicable to transportation by water. The conference substitute in section 12 (b) amends the proviso to read as follows:

"*Provided*, That if the loss, damage, or injury occurs while the property is in the custody of a common carrier by water the liability of such carrier shall be determined by the bill of lading of the carrier by water and by and under the laws and regulations applicable to transportation by water, and the liability of the initial or delivering carrier shall be the same as that of such carrier by water."

Section 13 (a). Repeal of section 25 relating to water carriers in foreign commerce

The conference substitute in section 13 (a) repeals section 25 of the Interstate Commerce Act which requires common carriers by water in foreign commerce to file with the Commission schedules of sailings to foreign destinations, and, upon application of any shipper or carrier by railroad, to reserve space in its vessels at a specific rate for the quantity of cargo offered when such shipper delivers the shipment on a through bill of lading to a carrier by railroad at places designated by the Commission.

The retention of this provision in the law was deemed unnecessary.

Section 16 (b). Transportation by motor vehicle in terminal areas

Section 18 of the House amendment amended the definition of common carrier by motor vehicle and of contract carrier by motor vehicle, contained in section 203 of the Interstate Commerce Act. These definitions, as rewritten, provided that in case of transfer, collection or delivery services by motor vehicle within terminal areas, performed by rail carriers or water carriers, and incidental to transportation subject to part I or part III, such transportation would be subject to part I and part III, respectively, and be regulated as transportation subject to those parts of the act.

These definitions, as rewritten, also dealt with the case where a person (acting as agent or under a contractual arrangement) performed transfer, collection, or delivery services by motor vehicle within terminal areas for carriers by railroad, express companies, other motor carriers, or water carriers, and provided that in such a case the transportation should be regulated as transportation performed by the person for whom the services were rendered, in the same manner as the railroad, express, motor carrier, or water transportation to which the services were incidental.

The provisions referred to above are retained in the conference substitute, but for purposes of simplification and clarification they are taken out of the definitions above referred to and, by section 16 (b), are included in a new subsection (c) added to section 202 of the Interstate Commerce Act.

Section 17 (b) (1) and (2). Trolley busses

The conference substitute in section 17 (b) (1) and (2) amends section 203 of the Interstate Commerce Act, by striking out the provision in clause (5) of subsection (b), which gives a qualified exemption from the provisions of part II applicable to trolley busses furnishing local passenger transportation service similar to street-railway service, and provides an absolute exemption for such trolley busses by excluding them from the definition of the term "motor vehicle" in section 203 (a) (13).

Section 17 (b) (3). Motor vehicles operated by a farmer

Section 203 (b) (4a) of the Interstate Commerce Act gives a qualified exemption from the provisions of part II applicable to motor vehicles controlled and operated by any farmer and used in the transportation of his agricultural commodities and products thereof, or in the transportation of supplies to his farm.

The conference substitute in section 17 (b) (3) amends this provision by providing that the exemption shall apply only when such motor vehicles are used in such transportation.

Section 17 (b) (4). Federation of cooperative associations

Section 203 (b) (4b) of the Interstate Commerce Act gives a qualified exemption from the provisions of part II applicable to motor vehicles controlled and operated by a cooperative association as defined in the Agricultural Marketing Act, approved June 15, 1929.

The conference substitute in section 17 (b) (4) retains this provision and, in addition, grants the same exemption to motor vehicles controlled and operated by a federation of such cooperative associations if such federation possesses no greater powers or purposes than cooperative associations so defined.

Section 17 (b) (5). Ordinary livestock

The conference substitute amends section 203 (b) (6) of the Interstate Commerce Act which provides among other things a qualified exemption from the provisions of part II applicable to motor vehicles used in carrying property consisting of livestock, by limiting the exemption to the carriage of ordinary livestock.

Section 17 (b) (6). Casual transportation by motor vehicle

Section 203 (b) (9) of the Interstate Commerce Act provides a qualified exemption from the provisions of part II applicable to the casual, occasional, or reciprocal transportation of passengers or property for compensation by any person not engaged in transportation by motor vehicle as a regular occupation or business.

The conference substitute in section 17 (b) (6) retains this provision but provides an exception in the case of such transportation of passengers, where the transportation is sold, or offered for sale, or furnished, or arranged for, by a broker or by any other person who sells or offers for sale transportation furnished by a person lawfully engaged in the transportation of passengers by motor vehicle under a certificate or permit issued by the Commission.

Section 18. Exemption of certain interstate and foreign operations of motor carriers

The House amendment added to section 204 (a) of the Interstate Commerce Act a new paragraph (4a) authorizing the Commission to make exemptions in the case of motor carriers operating in interstate or foreign commerce but physically operating wholly within the borders of a State. The exemptions were made dependent upon findings by the Commission that the operations were in fact of such nature, character, or quantity as not substantially to affect or impair uniform regulation by the Commission of transportation by motor carriers engaged in interstate commerce in effectuating the national transportation policy declared in the act. This subparagraph provided that the filing of an application for exemption, accompanied by a certificate of the State board of the State in which the operations of the carriers were carried on stating in the opinion of such board such carrier was entitled to a certificate of exemption, should exempt the carrier until final disposition of the application.

The conference substitute in section 18 follows the House amendment except that the provision relating to the certificate of a State board is changed so that the filing of such a certificate operates to exempt the carrier only after the expiration of 60 days from the date application is made to the Commission, thus giving the Commission 60 days within which it can act to prevent the automatic exemption from taking effect.

It is further provided that in case a motor carrier has become exempt as provided in this subparagraph, it shall not be considered to be a burden on interstate commerce for a State to regulate such carrier with respect to the operations covered by the exemption.

Section 19 (a). Authority to inquire into the management of the business of persons controlling motor carriers, etc.

The conference substitute in section 19 (a) amends section 204 (a) (7) of the Interstate Commerce Act which gives the Commission authority to inquire into the organization of motor carriers and brokers and into the management of their business, and to transmit to Congress from time to time such recommendations as to additional legislation relating to such carriers or brokers as the Commission may deem necessary.

The amendment retains the authority with respect to inquiry into the management of the business of motor carriers and brokers and strikes out the authority to inquire into the organization of such carriers and brokers. It broadens the provision so that the Commission will have this authority also with respect to the management of the business of persons controlling, controlled by, or under common control with, motor carriers, to the extent that the business of such persons is related to the management of the business of such motor carriers. A further change is made to authorize the Commission to transmit to Congress from time to time such recommendations as the Commission may deem necessary, in addition to recommendations as to additional legislation.

Section 19 (b). Code of fair competition

Section 204 (b) of the Interstate Commerce Act provides that the provisions of any code of fair competition for any industry embracing motor carriers approved pursuant to the National Industrial Recovery Act which is in conflict or inconsistent with any action under the provisions of part II of the Interstate Commerce Act shall have no force and effect. The conference substitute in section 19 (b) repeals the said subsection because it is obsolete.

Section 19 (d). Joint boards—failure of member to participate

The conference substitute in section 19 (d) amends the proposed new subsection (b) of section 205 of the Interstate Commerce Act by adding a new provision reading as follows:

"The failure of a duly appointed member of a joint board to participate in any hearing on a matter referred to such joint board after notice thereof, shall be considered to constitute, as to the matter referred, a waiver of action on the part of the State from which such member was appointed."

Section 20 (a). Dual operations under certificates and permits, motor carriers

The conference substitute in section 20 (a) amends section 210 of the Interstate Commerce Act which prohibits a person from holding at the same time both a certificate as a common carrier of property by motor vehicle and a permit as a contract carrier of property by motor vehicle over the same route or within the same territory, unless for good cause shown the Commission shall find that both forms of operating authority may be held consistent with the public interest and with the policy declared in part II, so that the section will apply not only to a particular motor carrier but also to any person controlling, controlled by, or under common control with, such person.

Section 21 (a). Undue preference or advantage

The conference substitute in section 21 (a) amends section 216 (d) of the Interstate Commerce Act by extending the prohibition against undue or unreasonable preference to cover a region, district, or territory, so as to make it conform to the revised section 3 (1) of the Interstate Commerce Act applicable to common carriers subject to part I.

Provision relating to power of the commission to limit scope of motor-carrier operations

Section 21 of the House amendment amended subsection (a) of section 208 and subsection (b) of section 209 of part II of the Interstate Commerce Act, by providing that the Commission should not impose any condition or limitation which would prevent a motor carrier entitled to a certificate or permit on the basis of its operations on or prior to June 1, 1935, or July 1, 1935, respectively, from transporting any commodity or class thereof which it transported, or from engaging in transportation from or to points to or from which it transported such commodity or class, on or prior to said dates.

These amendments were intended to correct certain purported inequities which had developed in the administration of part II of the Interstate Commerce Act. Various proposed modifications of these amendments were considered by the conference committee but no satisfactory amendment was presented to the conferees. In view of this fact, and in view of the fact that the provisions proposed to be amended have been in effect since 1935 and readjustments in the business of motor carriers have thus far taken place upon the basis of the present provisions of law, the conference committee omitted these proposed amendments to sections 208 and 209 from the conference substitute bill.

Section 21 (b). Suspension of schedules of common carriers by motor vehicle; burden of proof

Section 216 (g) of the Interstate Commerce Act authorizes the Commission to suspend any schedule of a common carrier by motor vehicle which states a new rate or charge or any new rule or regulation affecting a rate or charge. The operation of such schedule may be suspended for an initial period of 90 days which may be extended but not for a longer period in the aggregate than 180 days. The conference substitute in section 21 (b) retains the suspension power but provides for a suspension period which shall not exceed 7 months.

Said section 216 (g) also provides that the burden of proof shall be upon the common carrier to show that the increased rate or the proposed rule, etc., is just and reasonable. The conference substitute amends the burden-of-proof rule by providing that the burden of proof shall be upon the common carrier to show that any proposed changed rate or rule, etc., is just and reasonable.

Section 21 (c). Rule of rate making for motor carriers

The conference substitute in section 21 (c) amends section 216 (i) of the Interstate Commerce Act to read as follows:

"(i) In the exercise of its power to prescribe just and reasonable rates, fares, and charges for the transportation of passengers or property by common carriers by motor vehicle, and classifications, regulations, and practices relating thereto, the Commission shall give due consideration, among other factors, to the inherent advantages of transportation by such carriers; to the effect of rates upon the movement of traffic by the carrier or carriers for which the rates are prescribed; to the need, in the public interest, of adequate and efficient transportation service by such carriers at the lowest cost consistent with the furnishing of such service; and to the need of revenues sufficient to enable such carriers, under honest, economical, and efficient management, to provide such service."

The change from existing law is the addition of the words "and classifications, regulations, and practices relating thereto", and the words "by the carrier or carriers for which the rates are prescribed". The addition of these words makes this subsection in this respect correspond to amended section 15a of part I and section 307 (f) of the new part III.

The rule of rate making for contract carriers by motor vehicle is in amended section 218 (b) of part II, and the rule for contract carriers by water is in section 307 (h) of the new part III.

Section 22 (a). Schedules of rates and contracts of contract carriers by motor vehicle

Section 24 of the House amendment amended subsection (a) of section 218 of the Interstate Commerce Act, which relates to schedules of rates and to contracts of contract carriers by motor vehicles. It provided that the schedules required to be filed with the Commission by such carriers should contain the minimum charges actually maintained and charged. It retained the provision that the Commission, in its discretion, might require such a carrier to file with it, in lieu of such schedules, copies of contracts between it and shippers. The section authorized the Commission to make public the minimum rates or charges contained in such contracts, but prohibited it from making public the names of the persons for whom the property is transported and other terms of the contracts, except where the Commission determined such contracts should be made available as a part of the record in a formal proceeding provided the Commission found such action consistent with the public interest.

The conference substitute in section 22 (a) retains the provision of this section of the House amendment which required the schedules to contain the rates actually maintained and charged. A provision is added which makes it the duty of every contract carrier by motor vehicle to establish and observe reasonable minimum rates and charges and reasonable regulations and practices to be applied in connection therewith.

The provision with respect to the filing of contracts in lieu of schedules is omitted in view of the provision in the present law in section 220 (a) of the Interstate Commerce Act, which gives the Commission authority to require any motor carrier to file with it a copy of any contract between the carrier and any other carrier or person in relation to any traffic affected by the provisions of part II of the act.

The provision with respect to publicity of such contracts is also omitted, but in lieu thereof provisions are added by section 23 to said section 220 (a) providing for publicity under certain conditions.

Section 22 (b). Commission's power to prescribe minimum charges of contract carriers by motor vehicle

The conference substitute amends section 218 (b) of the Interstate Commerce Act. This subsection of existing law authorizes the Commission to prescribe the minimum charge of a contract carrier by motor vehicle or the rule, regulation, or practice affecting such charge or the value of the services where the Commission finds that any charge, rule, regulation, or practice of such a carrier contravenes the policy declared in section 202 (a) of part II. The Commission may prescribe such minimum charge, rule, regulation, or practice as in its judgment may be necessary or desirable in the public interest and to promote the policy declared in said section.

The conference substitute in section 22 (b) retains these provisions but amends them by providing that the Commission may prescribe the just and reasonable minimum rate or charge, or the rule, regulation, or practice affecting such minimum rate or charge, where the Commission finds that such rate or charge, or rule, regulation, or practice contravenes the national transportation policy declared in this act or is in contravention of any provision of part II. The Commission is authorized to prescribe such just and reasonable minimum rate or charge, or such rule, regulation, or practice as in its judgment may be necessary or desirable in the public interest and to promote such policy, and will not be in contravention of any provision of such part.

Section 22 (c). Suspension of schedules of contract carriers by motor vehicle; burden of proof

Section 218 (c) of the Interstate Commerce Act authorizes the Commission to suspend any schedule of a contract carrier by motor vehicle which states a reduced charge directly or by means of any rule, regulation, or practice. The operation of such schedule may be suspended for an initial period of 90 days which may be extended but not for a longer period in the aggregate than 180 days. The conference substitute in section 22 (c) retains the suspension power but provides for a suspension period which shall not exceed 7 months.

The present law places no burden of proof upon the contract carrier to show that any proposed charge for a new service of any reduced charge or changed rule, etc., affecting such charge is just and reasonable. The conference substitute adds a provision that the rule as to burden of proof specified in section 216 (g) with respect to common carriers by motor vehicle shall apply to contract carriers by motor vehicle.

Section 23. Accounts, records, and reports of motor carriers

Section 220 of the Interstate Commerce Act authorizes the Commission to require annual and other reports from motor carriers and brokers, and to prescribe the forms of accounts, records, and memoranda to be kept by such carriers; and authorizes the Commission or its duly authorized agents to have access to lands, buildings, and such accounts, records, and memoranda for inspection and examination.

The conference substitute in section 23 retains these provisions, and said section amends section 220 by authorizing the Commission to require annual and other reports from a lessor, which is defined to mean a lessor of any right to operate as a motor carrier. The amended section authorizes the Commission or its agents to inspect and copy accounts, records, etc., of lessors; and also, such accounts, records, etc., of any person controlling, controlled by, or under common control with any such carrier, as the Commission deems relevant to such person's relation to or transactions with such carrier. Certain other changes are made in the amended section with respect to accounts, records, and reports in order to make the requirements thereof more definite and specific.

Section 23. Accident reports, motor carriers

The conference substitute in section 23 adds to section 220 of the Interstate Commerce Act (which relates to accounts, records, and reports) a new subsection (f) reading as follows:

"(f) No report by any motor carrier of any accident arising in the course of the operations of such carrier, made pursuant to any requirement of the Commission, and no report by the Commission of any investigation of any such accident, shall be admitted as evidence, or used for any other purpose, in any suit or action for damages growing out of any matter mentioned in such report or investigation."

Section 23. Contracts of contract carriers by motor vehicle

Section 220 (a) of the Interstate Commerce Act provides that the Commission may require any motor carrier to file with it a copy of any contract, agreement, or arrangement between such carrier and any person in relation to any traffic affected by the provisions of part II. The conference substitute in section 23 adds an additional provision that the Commission shall not make

public any such contract. etc., between a contract carrier by motor vehicle and a shipper except as a part of the record in a formal proceeding where it considers such action consistent with the public interest. It further provides that if such contract fails to conform to the published schedule of the contract carrier as required by section 218 (a), the Commission may make public such of the provisions of the contract as it considers necessary to disclose such failure and the extent thereof.

Section 24 (a). Service of notice

The conference substitute amends section 221 (a) of the Interstate Commerce Act, which relates to the designation of an agent by a motor carrier to receive service of notices or orders, by adding a new provision that in proceedings before the Commission involving the lawfulness of rates, fares, charges, classifications, or practices, service of notice upon an attorney in fact of a carrier who has filed a tariff or schedule in behalf of such carrier shall be deemed to be due and sufficient service upon the carrier.

Section 24 (b). Orders of the Commission in motor carrier proceedings

The conference substitute, in section 24 (b), amends section 221 (b) of the Interstate Commerce Act, which provides that all orders of the Commission shall take effect within such reasonable time as the Commission may specify. The amendment requires that such orders shall take effect within "not less than 30 days." This amendment makes section 221 (b) correspond in this respect to section 15 (2) of part I and with section 315 (d) in new part III.

Section 24 (c). Penalty in case of disclosure of information by special agent or examiner

The conference substitute amends section 222 (d) of the Interstate Commerce Act, which provides a penalty in the case where a special agent or examiner divulges information which may come to his knowledge during the course of his examination of accounts, records, or memoranda of motor carriers or brokers, by specifically providing that the offense shall be a misdemeanor and by reducing the maximum penalty provided under present law from $5,000 to $500 and from 2 years imprisonment to 6 months imprisonment.

Section 24 (d). Penalties for failure of motor carriers or other persons to make reports, keep accounts, etc.

Section 222 (g) of the Interstate Commerce Act provides certain penalties for failure on the part of motor carriers, brokers, and certain other persons to make reports or to keep accounts, or for falsifying, destroying, etc., reports, accounts, and records, or for filing any false report, account, etc. Section 24 (d) of the conference substitute amends said section 222 (g) by adding thereto certain other acts of motor carriers, brokers, or other persons, in violation of part II to which the same penalties are made applicable.

Section 25 (a). Allowances to shippers

The House amendment in section 23 included a new section providing for allowances to an owner of property transported who rendered any service connected with the transportation or furnished any instrumentality used therein. The conference substitute in section 25 (a) includes this provision in a new section 225 in part II of the Interstate Commerce Act. It amends the said provision by requiring that such allowance shall be published in tariffs or schedules filed in the manner provided in said part II.

Section 302. Definitions in proposed part III

Section 302 of the new part III of the Interstate Commerce Act, added by the House amendment, contained definitions of "common carrier by water" and "contract carrier by water." These definitions contained provisions which provided that in case of certain water-carrier operations performed by rail carriers subject to part I, or by motor carriers subject to part II, incidental to transportation subject to parts I and II, respectively, such transportation would be subject to part I or part II, as the case might be, and be regulated as transportation subject to those parts of the act.

These definitions also dealt with the case where a person (acting as agent or under a contractual arrangement) performed certain services by water for carriers by railroad, express companies, motor carriers, or other water carriers, and provided that in such a case the transportation should be considered to be engaged in by the person for whom the services were performed, and regulated in the same manner as the railroad, express, motor carrier, or water transportation to which the services were incidental.

The provisions referred to above are retained in the conference substitute, but for purposes of simplification and clarification they are taken out of the definitions above referred to and are included in subsection (f) of section 303 of the new part III of the Interstate Commerce Act.

The conference substitute also makes a change in the description of the transportation to which the provisions above referred to relate. The transportation as to which this special treatment was provided in the definitions in the House amendment was described in two places in the definition of "common carrier by water" and in two places in the definition of "contract carrier by water," but the language was not uniform in all of such places. As incorporated in the new subsection (f) of section 303, this language is as follows:

"in the performance within terminal areas of transfer, collection, or delivery services, or in the performance of floatage, car ferry, lighterage, or towage."

In the definition of "common carrier by water" as included in section 302 (d) of the conference substitute, the following language is included:

"except transportation by water by an express company subject to part I in the conduct of its express business, which shall be considered to be and shall be regulated as transportation subject to part I."

The definition of "contract carrier by water" in the House amendment contained a sentence as follows:

"For the purposes of this paragraph a person which, under a charter, lease, or other agreement, furnishes a vessel to another person, for compensation, for use in the transportation of property of such other person, shall itself not be considered to be engaged in the transportation of such property as a contract carrier by water."

In the conference substitute the word "not", which was inserted on the House floor, has been omitted, but the provision (which is in sec. 302 (e)) has been limited so that it only applies where the vessel is furnished to a person other than a carrier subject to the Interstate Commerce Act, and the language is clarified to make sure that the person furnishing the vessel will not, simply by reason of furnishing the vessel, become a contract carrier subject to part III of the act as to that part of its business not related to the furnishing and use of the vessel. A new provision is added giving the Commission authority to exempt (either permanently or for a limited time) any person or class of persons when the Commission deems it unnecessary, in order to effectuate the national transportation policy, for such person or class of persons to be regulated as a contract carrier or contract carriers.

Section 303. Water carrier exemptions

Section 303 (b) of the proposed part III of the Interstate Commerce Act, in the House amendment, exempted transportation by a contract carrier by water of commodities in bulk in a vessel the cargo space of which is used for the carrying of not more than three such commodities at any given time.

In the conference substitute this provision is extended to cover common carriers by water as well as contract carriers by water.

This provision as included in the House amendment was susceptible to the interpretation that if at any time the vessel carried three bulk commodities or less, transportation thereon would be exempt as to any number of bulk commodities. Therefore, without making any change in the intended policy and in order to clarify this provision the first sentence has been changed to read as follows:

"Nothing in this part shall apply to the transportation by a water carrier of commodities in bulk when the cargo space of the vessel in which such commodities are transported is being used for the carrying of not more than three such commodities."

This subsection in the House amendment also provided that it should apply only in the case of commodities received and delivered by the carrier "without mark or count". In the conference substitute the word "transportation" is inserted before the words "mark or count".

Section 303 (e) of the proposed part III of the Interstate Commerce Act, in the House amendment, contained provisions granting exemptions to contract carriers by water under certain conditions. The dates contained therein governing exemption of carriers in operation at the time part III takes effect are changed from January 1, 1939, and October 1, 1939, to January 1, 1940, and October 1, 1940, respectively.

Section 303 (f) of the proposed part III of the Interstate Commerce Act, contained in the House amendment, read as follows:

"(f) Nothing in this part shall be construed to affect any law of navigation, the admiralty jurisdiction of the courts of the United States, liabilities of vessels and their owners for loss or damage, or laws respecting seamen, or any other statute or maritime law, regulation, or custom not in conflict with the provisions of this part."

This provision is retained in the conference substitute but is transferred to the section dealing with repeals of existing law.

Section 303 (l). Operating authority of carriers whose exemption is terminated

The conference bill includes as section 303 (l) a new provision providing that whenever transportation exempted under the provisions of subsection (g) or (e) of such section becomes subject to regulation the carrier may continue operation for 120 days without a certificate or permit, and if application for a certificate or permit covering the previously exempted transportation is made within such period, the Commission shall issue a certificate or permit, whichever is appropriate, authorizing the transportation previously exempted.

Section 304 (b). Authority to inquire into the business of water carriers and other persons

Section 304 (b) of the new part III of the Interstate Commerce Act, added by the House amendment, gave the Commission authority to inquire into and report on the organization of water carriers and the management of their business, and to transmit to Congress from time to time such recommendations as the Commission might deem necessary.

The conference substitute in section 304 (b) omits the provision with respect to authority to inquire into and report on the organization of water carriers and broadens the application of the amended subsection so that the Commission will have authority to inquire into the management of the business of persons controlling, controlled by, or under common control with, water carriers, to the extent that the business of such persons is related to the control or management of the business of such carriers. A further change is made to specifically authorize the Commission to recommend to Congress such additional legislation as it deems necessary.

Section 305 (c). Undue preference or advantage

Section 305 (c) of the proposed part III of the Interstate Commerce Act, in the House amendment, prohibited common carriers by water from giving any undue or unreasonable preference or advantage in certain specified cases. The conference substitute retains this provision but after the word "locality" adds "region, district, territory," so as to conform with similar provisions in parts I and II.

Section 306 (d). Tariffs of common carriers by water

Section 306 (d) of the new part III of the Interstate Commerce Act proposed by the House amendments, prohibits any change in any rate or charge of a common carrier by water except after 30 days' notice unless the Commission allows a change upon shorter notice.

This subsection is retained, and a provision is added that no common carrier by water, unless otherwise provided by this part, shall engage in transportation subject to this part unless the rates, fares, and charges of said carrier have been filed and published in accordance with the provisions of this part.

Section 306 (e). Schedules of contract carriers by water

Section 306 (e) of new part III of the Interstate Commerce Act proposed by the House amendment made it the duty of every contract carrier by water, among other things, to file with the Commission and keep open for public inspection schedules of minimum rates or charges actually maintained and charged by such carrier.

The provisions of the House amendment are retained and three additional provisions added as follows:

1. It is made the duty of every contract carrier by water to establish and observe reasonable minimum rates and charges and reasonable regulations and practices to be applied in connection with said reasonable minimum rates and charges.

2. A contract carrier is prohibited, unless otherwise provided by this part, from engaging in transportation unless the minimum rates or charges actually maintained and charged have been published, filed, and posted in accordance with the provisions of this part.

3. No new rate or charge shall be established and no reduction shall be made in any rate or charge except upon 30 days' notice of the proposed rate or charge, or of the proposed change, unless the Commission allows the establishment of such rate, charge, or change upon shorter notice.

Contracts of Contract Carriers by Water

Section 306 (e) of the new part III of the Interstate Commerce Act, proposed by the House amendment, authorizes the Commission in its discretion to require any contract carrier by water to file with it, in lieu of schedules of rates actually maintained and charged by such carriers, its contracts with shippers providing for transportation of property. The section further provided for making public the rates contained in such contracts, but prohibited making public the names of the persons for whom the property is transported and other terms of the contract, except where the Commission made such contract available as part of the record in a formal proceeding where it considered such action consistent with the public interest.

The provision with respect to the filing of contracts in lieu of schedules is omitted in view of the provision in section 313 (b) of the new part III which gives the Commission authority to require any water carrier to file with it a copy of any contract, charter, or agreement between such carrier and any other carrier or person in relation to traffic affected by the said part. The provision with respect to publicity of such contracts is also omitted, but in lieu thereof a provision is added to said section 313 (b) prohibiting the Commission from making public any contract, charter, or agreement between a contract carrier by water and a shipper, or any of the terms thereof, except as a part of the record in a formal proceeding where the Commission considers such action consistent with the public interest. It is further provided in such section 313 (b) that if it appears from an examination of any such contract by the Commission that it fails to conform to the published schedule of the contract carrier as required by section 306 (e) the Commission may make public such of the provisions of the contract as the Commission considers necessary to disclose such failure and the extent thereof.

These provisions are essentially the same as those in the case of contracts of contract carriers by motor vehicle.

Section 307 (e). Divisions of joint rates

Section 307 (e) of new part III of the House amendment contained provisions authorizing the Commission to prescribe the reasonable divisions of joint rates of common carriers by water, or of such carriers and common carriers, by railroad or by motor vehicle, and to require adjustment thereof between such carriers from the date of filing the complaint or entry of the order of investigation or such other dates subsequent thereto as the Commission finds justified.

The conference substitute retains the provision authorizing the Commission to prescribe the divisions but limits the power of the Commission to require adjustments to those cases in which the joint rates have been established pursuant to a finding or order of the Commission. The substitute also prescribes certain factors to which the Commission is directed to give consideration in determining the reasonableness of the divisions prescribed by it. By these changes the provisions with respect to divisions of joint rates under new part III are made substantially the same as those applicable to divisions under part I.

Section 307 (f). Rule of rate making for common carriers by water

Section 307 (f) of the House amendment contained a rule of rate making, applicable to common carriers by water, similar to the rule prescribed in section 15a of the Interstate Commerce Act. The conference substitute retains this provisions but after the language directing the Commission to "give due consideration, among other factors, to the effect of rates upon the movement of traffic," the following words are added: "by the carrier or carriers for which the rates are prescribed."

House Amendment as to Reductions of Rates

In the House amendment in section 307 (f) of the new proposed part III of the Interstate Commerce Act there was included the provision as follows:

"In order that the public at large may enjoy the benefit and economy afforded by each type of transportation, the Commission shall permit each type of carrier or carriers to reduce rates so long as such rates maintain a compensatory return to the carrier or carriers after taking into consideration overhead and all other elements entering into the cost to the carrier or carriers for the service rendered: *Provided*, That nothing in this paragraph shall be construed so as to affect the long-and-short-haul provision of section 4."

A similar provision, with the exception of the proviso, was included in the Senate bill.

The conference substitute omits these provisions of the Senate bill and the House amendment.

It will be observed that this amendment restricts any type of carrier from reducing its rates below an amount sufficient to cover its overhead and other elements of cost for the service rendered, including a compensatory return. This compels the carrier to charge a higher rate than is commonly imposed for carrying a great percentage of all freight by land and water in domestic commerce. The immediate effect of this amendment, if enforced, would be to compel an increase of rates on a large part of the freight now carried by ships, highway, and rails.

Everywhere in the world transportation rates take into consideration the class of traffic carried and at what rate it will move. Raw materials, such as grains, farm products, coal, and other heavy materials, frequently move at a rate less than required by this provision. Low-profit freight compensates for its carriage, but ordinarily the carrier could not successfully continue in business on low-cost freight alone. It is the greater profit made on high-class freight that makes the maintenance of our low-cost transportation system possible.

At the present time about 100 railroads are under the protection of the courts because their revenues do not meet their expenses. This proposed amendment might drive these lines out of existence if enforced against them because it would force their rates to a higher level and would transfer the business to their competitors.

This proposed amendment, if enacted, would impose numerous administrative difficulties; for instance, establishment of a permissible rate on a given product would require the production of evidence to show from the whole income and expense accounts of the carrier what rate would be required to meet the standard of rate making this amendment would establish.

Such an amendment would place its greatest burdens on the transportation of heavy freight, such as farmers' products, and would cause an unwarranted increase in freight rates which would be highly detrimental to our transportation system.

The conferees are unanimously in harmony in the viewpoint that the inherent advantages of each type of carrier should be preserved for the benefit of the Nation. Legitimate regulation must look to the protection of the economic advantage of each type of carrier against destructive competition of the other. No carrier should be required to charge unreasonable rates for the benefit or purpose of compelling diversion of traffic to a competitor.

The other provisions of this bill afford ample protection for the preservation of the inherent advantages of water transportation.

The new declaration of policy to be embodied in the Interstate Commerce Act provides a rule of interpretation applicable to all the provisions of that act, namely, that "all of the provisions of this act shall be administered and enforced with a view to carrying out the above declaration of policy." The declaration of policy also asserts it to be "the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation" subject to the act. It further declares that the provisions of the act are to be "so administered as to recognize and preserve the inherent advantages of each."

It is further declared that the end to be accomplished is the coordination and preservation of a national transportation system by water, highway, and rail.

This legislation is a forward and fostering step for water transportation as well as national transportation. Heretofore, with limited exceptions, water transportation has not been within the fostering care of interstate regulation. This measure will place upon the Interstate Commerce Commission not only the power but the duty to protect and foster water transportation and preserve its inherent advantages.

Section 307 (f) provides that the Commission in prescribing rates for common carriers by water shall give due consideration "to the effect of rates upon the movement of traffic by the carrier or carriers for which the rates are prescribed; to the need, in the public interest, of adequate and efficient water transportation service at the lowest cost consistent with the furnishing of such service." This rule of rate making for water transportation is wholly inconsistent with the theory that the Commission might prescribe an unreasonable rate for a water carrier for the purpose of forcing its traffic to a competing carrier.

Other provisions of the conference substitute further protect water carriers in their right to operate at low rates. In section 305

(c), prohibiting common carriers by water to give undue or unreasonable preference or advantage, a proviso is included as follows:

"*Provided*, That this subsection shall not be construed to apply to discriminations, prejudice, or disadvantage to the traffic of any other carrier of whatever description."

This subsection also contains a provision as follows:

"Differences in the classifications, rates, fares, charges, rules, regulations, and practices of a water carrier in respect of water transportation from those in effect by a rail carrier with respect to rail transportation shall not be deemed to constitute unjust discrimination, prejudice, or disadvantage, or an unfair or destructive competitive practice, within the meaning of any provision of this Act."

Outside of special provisions designed to protect water carriers the rule of reasonable rates in itself prohibits the imposition of an unreasonably high rate for any carrier for the purpose of aiding a competitive carrier. There is no authority for the contention that the Commission has any right to require a rate higher than is reasonable for the purpose of diverting traffic from any given type of carrier to a competitor.

Section 307 (g) and (i). Suspension of tariffs and schedules; burden of proof

Section 307 (g) and (i) of new part III of the Interstate Commerce Act, as added by the House amendment, authorized the Commission to suspend any schedule of a water carrier which stated a new rate or charge or a reduced rate or charge or any new rule or regulation affecting such rate or charge. In the case of a contract carrier by water the rate, etc., could be suspended for an initial period of 90 days, which could be extended, but not for a longer period in the aggregate than 180 days.

The conference substitute provides for a suspension period which shall not exceed 7 months. It also includes a new provision applicable to water carriers that the burden of proof shall be upon the carrier to show that a proposed changed rate, charge, rule, or regulation is just and reasonable. Corresponding changes are made in sections 216 (g) and 218 (c) of the Interstate Commerce Act. As a result of these changes, provisions with respect to the periods of suspension and the burden of proof are made the same for motor carriers and for water carriers.

Section 307 (h). Provisions of charters, contracts, etc., of contract carriers by water; unlawful rates, rules, and practices

Section 307 (h) of the new part III of the Interstate Commerce Act added by the House amendment gave the Commission authority to prescribe the form or provisions of charters, contracts, agreements, or undertakings of contract carriers by water when it found that such charters, contracts, agreements, or undertakings contravene the national transportation policy declared in the act. The conference substitute modifies this subsection so that the Commission will not have this authority.

In the conference substitute in section 307 (h) this subsection, in its application to rates of contract carriers, is confined to minimum rates, since the only regulation of contract carrier rates is as to minimum rates. The power of the Commission with respect to rules, regulations, and practices of contract carriers is limited to those "affecting such minimum rate or charge, or the value of the service thereunder."

In the House amendment the Commission's authority to prescribe the rate or rule was limited to cases where the Commission found that the rate or rule contravened the national transportation policy. The conference substitute retains this provision and, in addition, authorizes the Commission to prescribe the minimum rate or rule where it finds such rate or rule is in contravention of any provision of new part III.

This subsection further provides that the minimum rate or charge, or the rule, regulation, or practice, prescribed by the Commission, shall give no undue advantage or preference to a contract carrier in competition with a common carrier by water, and the Commission is directed to "give due consideration to the cost of the services rendered by such carriers." In this provision as contained in the House amendment the language was as follows: "Give due consideration to the cost of the services rendered by such contract carriers."

Section 309. (a) "Grandfather" date for common and contract carriers by water

Section 309 of new part III added to the Interstate Commerce Act by the House amendment provided a "grandfather" date of June 1, 1939, in the case of common and contract carriers by water. The conference substitute changes this date to January 1, 1940.

Section 310. Dual operations under certificates and permits—water carriers

Section 310 of new part III of the Interstate Commerce Act, added by the House amendment, authorized the Commission to issue to a water carrier both a certificate and a permit if the Commission was of the opinion that the granting of both a certificate and a permit to the carrier would be consistent with the public interest and with the national transportation policy.

In the conference substitute this section is changed so as to make it similar to the corresponding provision relating to motor carriers (sec. 210 of pt. II), and prohibits any person from holding both a certificate and a permit unless for good cause shown the Commission shall find that both may be held by such person consistently with the public interest and with the national transportation policy, and this restriction also applies to any person controlling, controlled by, or under common control with such person. Other provisions of the bill are changed so that this limitation will apply not only to new operations but also to operations under "grandfather" applications.

Section 313. Accounts, records, and reports—water carriers

The House amendment in section 313 of new part III contained provisions with respect to accounts, records, and reports of water carriers. It authorized the Commission to require annual and other reports from water carriers and to prescribe the forms of accounts, records, and memoranda to be kept by such carriers; and gave authority to the Commission or its agents to inspect and examine such accounts, records, and memoranda. The conference substitute retains these provisions and, in addition, among other things, authorizes the Commission to require annual and other reports from a lessor, which term is defined to mean a lessor of any right to operate as a water carrier. The Commission is authorized in its discretion to prescribe a uniform system of accounts applicable to any class of water carriers and the period of time within which such class shall have such uniform system. The amended section authorizes the Commission to prescribe for water carriers the classes of property for which depreciation charges may be included and the rates of depreciation. The Commission may also prescribe the forms of accounts, records, and memoranda to be kept by a lessor. The Commission is given authority to inspect and copy the accounts, records, memoranda, and other documents of a lessor and of any person controlling, controlled by, or under common control with any water carrier as the Commission deems relevant to such person's relation to or transactions with such carrier. Certain other provisions are included corresponding to those included in amended sections 20 and 220.

Section 315 (a). Service of notice

Section 315 (a) of the new part III of the Interstate Commerce Act, added by the House amendment made it the duty of every water carrier to file with the Commission a designation of an agent upon whom services of notices or orders might be made. The conference substitute retains this provision and amends it by providing that in proceedings before the Commission involving the lawfulness of rates, fares, charges, classifications, or practices, service of notice upon an attorney in fact of a carrier who has filed a tariff or schedule in behalf of such carrier shall be deemed to be due and sufficient service upon the carrier.

Section 317 (d). Penalty in case of failure to make full, true, and correct entries, etc.

The conference substitute amends section 317 (d) of the new part III added to the Interstate Commerce Act by the House amendment, so as to make the penalty of such subsection apply in the case of any person who shall willfully neglect to make full, true, and correct entries in accounts, records, or memoranda, or who shall willfully keep any accounts, records, or memoranda contrary to the rules, regulations, or order of the Commission.

Section 317 (e). Penalty in case of disclosure of information by special agent or examiner

Subsection (e) of section 317 of the new part III of the Interstate Commerce Act, added by the House amendment, provided a maximum penalty of $5,000, or imprisonment for 2 years, or both such fine and imprisonment, in case of the knowing and willful disclosure by a special agent or examiner of the Commission of information coming to his knowledge during the course of examination of the accounts, records, and memoranda of a water carrier. The conference substitute modifies this provision by specifically providing that the offense shall be a misdemeanor and by reducing the maximum fine to $500 and the maximum imprisonment to 6 months.

Section 319. Appointment of employees

Section 319 of the new part III of the Interstate Commerce Act, added by the House amendment, authorized the Commission to employ necessary experts, assistants, special agents, examiners, attorneys, and other employees. This provision is retained in the conference substitute. The Senate bill provided that compensation of employees should be determined in accordance with the Classification Act of 1923 "insofar as said act is applicable." This reference to the Classification Act is not included in the conference substitute because the well-settled interpretation of laws previously enacted by Congress has been that where authority is given to an administrative agency to employ personnel both the civil-service laws and the Classification Act of 1923 apply to the appointment of such employees and the fixing of their compensation unless a clear intention to the contrary is indicated in the authorizing legislation. It is clear, therefore, that under this provision of the conference substitute the new personnel authorized to be appointed by the Commission will be appointed subject to the civil-service laws, and their compensation will be fixed under the Classification Act of 1923.

A new sentence is added to this section in the conference substitute authorizing examiners to administer oaths, examine witnesses, and receive evidence, since similar provisions are now contained in parts I and II of the Interstate Commerce Act.

Conference agreements between water carriers under section 15 of the Shipping Act, 1916

Under section 15 of the Shipping Act, 1916, water carriers engaged in commerce by water subject to that act are authorized to enter into conference agreements relating to rates, competition, pooling, allotment of ports, limiting or regulating the volume of traffic, and other matters, and the carriers involved are exempted from the operation of the antitrust laws when such agreements are approved by the Maritime Commission.

Under section 320 (a) of the new part III in the conference substitute the provisions of section 15 of the Shipping Act, 1916, are

repealed insofar as they would authorize any such agreements to be entered into with respect to transportation subject to the new part III of the Interstate Commerce Act.

Under section 320 (c) of the conference substitute it is provided, however, that nothing in section 320 (a) shall be construed to prevent a carrier subject to part III from entering into such agreements with respect to transportation not subject to part III.

By virtue of section 322 of the conference substitute all agreements heretofore entered into under such section 15 of the Shipping Act, 1916, will continue to be lawful even to the extent that they relate to transportation subject to part III of the Interstate Act until such time as the Commission may find such agreements in violation of the provisions of part III or inconsistent with the national transportation policy.

Investigation of various modes of transportation

There is included in the conference substitute a new provision (part I of title III of the bill) establishing a board of investigation and research (to be composed of three members to be appointed by the President, by and with the advice and consent of the Senate) which is specifically directed to investigate—

(1) The relative economy and fitness of carriers by railroad, motor carriers, and water carriers for transportation service, or any particular classes or descriptions thereof, with the view of determining the service for which each type of carrier is especially fitted or unfitted; the methods by which each type can and should be developed so that there may be provided a national transportation system adequate to meet the needs of the commerce of the United States, of the Postal Service, and of the national defense;

(2) The extent to which right-of-way or other transportation facilities and special services have been or are provided from public funds for the use, within the territorial limits of the continental United States, of each of the three types of carriers without adequate compensation, direct or indirect, therefor, and the extent to which such carriers have been or are aided by donations of public property, payments from public funds in excess of adequate compensation for services rendered in return therefor, or extensions of Government credit; and

(3) The extent to which taxes are imposed upon such carriers by the United States, and the several States, and by other agencies of government, including county, municipal, district, and local agencies.

The Board is further authorized to investigate any other matters relating to rail carriers, motor carriers, or water carriers which it may deem important to investigate for the improvement of transportation conditions and to effectuate the national transportation policy declared in the Interstate Commerce Act, as amended.

The Board is directed to report the results of this investigation, together with its recommendations, to the President and to the Congress.

The authority of the Board is to cease at the end of 2 years after the enactment of this legislation, unless extended by proclamation of the President for an additional period not exceeding 2 years.

Land-grant rates

Section 321 of part II of title III of the House amendment provided that the full applicable commercial rates, fares, or charges should be paid to any common carrier subject to the Interstate Commerce Act for transportation of persons or property for the United States, or on its behalf, but this provision was conditioned on the release by the carrier of claims against the United States to lands, interests in lands, compensation or reimbursements on account of lands, or interests in lands which had been granted, claimed to have been granted, or which it was claimed should have been granted to such carrier, under any grant from the United States.

The conference substitute changes this provision by making an exception from this requirement of the payment of full commercial rates by the United States, in the case of the transportation of military or naval property moving for military or naval use, and in the case of the transportation of members of the military or naval forces of the United States (or of property of such members) when such members are traveling on official duty. In the case of transportation thus excepted, existing legal requirements and arrangements providing for reduced rates will continue to apply.

Amendments to Reconstruction Finance Corporation Act

1. The House amendment in subsection (a) of section 331, title III, of the bill amended certain portions of section 5 of the Reconstruction Finance Corporation Act. It enlarged the authority of the Corporation so that purchases of railroad obligations, guaranty of payment thereof, and loans authorized to be made by the Corporation to railroads or receivers or trustees of railroads could be made for the purpose of bringing about a reduction or readjustment of principal and interest charges, and modified the standard governing the approval by the Interstate Commerce Commission of purchase of obligations, guaranty thereof, and loans.

The conference substitute, in section 331 of title III of the bill, omits the provision of the House amendment and retains present law, with certain exceptions, as follows:

(a) It authorizes loans not only to railroads but to "receivers or trustees thereof."

(b) It further amends the present law by providing that a certificate of approval from the Interstate Commerce Commission shall not be required in the case of "purchases, or guaranties" of railroad obligations made for the maintenance of, or purchase of, equipment for railroads not in receivership or trusteeship. The present law excepts from the provisions requiring Commission approval in such cases only "loans" for such maintenance or purchase.

(c) It omits "consolidations" from the purposes for which aid may be granted.

(d) It also increases the total amount of loans and commitments to railroads, receivers, and trustees, and purchases and guaranties of obligations of railroads from $350,000,000 to $500,000,000, in addition to loans and commitments made prior to January 31, 1935, and renewals of loans and commitments so made.

2. The House amendment, in subsection (b) of such section 331, also amended section 5 of the Reconstruction Finance Corporation Act by providing that the title of any owner to any property leased or conditionally sold to a railroad which the Corporation had financed or aided in financing, or the right of such owner to take possession of the property, should not be affected or restricted by the provisions of the Bankruptcy Act.

The House amendment also provided that the title of any owner of a collateral note evidencing a loan to a railroad or receiver or trustee thereof from the Corporation "heretofore or hereafter made by the Corporation" and the right of any such owner to acquire a title to the collateral securing such note, free and clear of any equity of redemption, in compliance with the contract of pledge, and thereafter to deal with the same as the absolute owner thereof, shall not be affected or restricted by or pursuant to the provisions of the Bankruptcy Act.

The conference substitute retains these amendments but changes them insofar as they apply to the title to collateral notes evidencing loans from the Corporation "heretofore or hereafter" made by the Corporation, so that they will apply only to a collateral note evidencing a loan from the Corporation to a railroad "not now in receivership or involved in proceedings under section 77 of the Bankruptcy Act, or a receiver or trustee thereof."

Bridges over navigable waters

Title III of the House amendments, in part I thereof, contains provisions (secs. 301–312) intended to supersede provisions of existing law relating to the construction and alteration of bridges over navigable waters of the United States, and providing for the apportionment between the owner of the bridge and the United States of the cost of building and altering such bridges.

These provisions are omitted from the conference substitute.

Substantially similar provisions in a separate bill were vetoed by the President near the close of the regular session of Congress last year. While the committee understands that amendments not destroying the substantive value of these provisions might make it acceptable to the Executive, it was deemed preferable to proceed further with this legislation by a separate bill.

CLARENCE F. LEA,
ROBERT CROSSER,
A. L. BULWINKLE,
WILLIAM P. COLE, Jr.,
CHAS. A. WOLVERTON,
PEHR G. HOLMES,
CHARLES A. HALLECK,
Managers on the part of the House.

Mr. LEA. Mr. Speaker, I ask unanimous consent that time for debate may be extended to 2 hours, to be controlled by the chairman of the conference committee, with the understanding that half of the time will be assigned to persons designated by the gentleman from New York [Mr. WADSWORTH].

Mr. WARREN. Mr. Speaker, reserving the right to object, I think I should call the attention of the Chair to what we thought was a very solemn agreement entered into during his absence. It is so important that if the Chair will permit me, I would like to read that agreement, which is very short. It appears in the RECORD of May 2. On May 2, during the consideration of the wage-hour bill, the following colloquy took place:

Mr. RAYBURN. Mr. Chairman, after conferring with the minority leader, with the conferees on the so-called transportation bill, with the gentleman from North Carolina [Mr. WARREN], and the gentleman from New York [Mr. WADSWORTH], it has been decided, not knowing what the deliberations of the day will bring with reference to this bill, after 6 days, that in all probability it will be more convenient for all Members of the House if the conference report on the transportation bill were not called up tomorrow. I think it is satisfactory to all of the gentlemen concerned that it be called up on Thursday next.

I make the announcement now that it will be called up on that date.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from North Carolina.

Mr. WARREN. Mr. Chairman, I have gone over the situation very carefully with the majority leader and I appreciate what confronts him with reference to the program and the fact that so many, including several of the conferees, must be away from here on Friday; that the gentleman from New York [Mr. WADSWORTH] must be away from here on Monday and Tuesday. I think the statement of the majority leader is very fair and ought to be satisfactory to every one who is interested, pro and con, in this legislation.

It is my understanding that, regardless of what we may be engaged upon next Thursday, this conference report will have precedence.

Mr. HARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. HARRINGTON. Is there any agreement as to the amount of debate that will be had at the time the transportation bill is considered?

Mr. RAYBURN. With reference to the statement just made by the gentleman from North Carolina [Mr. WARREN], if I am in the chair on next Thursday I will recognize the gentleman from California [Mr. LEA] to call up this conference report the first thing. If I am not in the chair, I will request the Speaker of the House to recognize him at that time. I may say that, as far as the conferees on the part of the House are concerned, they are perfectly willing to extend the debate for 1 hour and have 2 hours of debate, one-half the time to be controlled by the gentleman from California [Mr. LEA] and one-half by the gentleman from New York [Mr. WADSWORTH].

Mr. WARREN. That is just as fair as it could possibly be.

Further reserving the right to object, Mr. Speaker, I feel that that was a solemn contract and agreement made here in the House. I happen to know that the gentleman from New York [Mr. WADSWORTH] has faithfully relied upon that agreement and has already parceled out his hour of the time. I therefore think that the gentleman from California [Mr. LEA] should modify his request in accordance with the agreement, so that he may control one hour and the gentleman from New York [Mr. WADSWORTH] may control the other. If he does that, I will have no objection.

Mr. LEA. Mr. Speaker, as I understand the practice of the House, the time on a conference report is in the charge of the chairman of the conference committee. We have no objection whatever to the oponents of the measure having their hour. I am under the impression, however, the ranking Member on the minority side should have charge of the time instead of one who is not a member of the conference committee.

Mr. RAYBURN. Mr. Speaker, if we were following precedent, that would be true; but we are not following precedent in this instance. The precedent is that there shall be 1 hour of debate on the conference report. Everyone I know of would like to have 2 hours of debate. That is unusual. I thought after talking to the gentleman from California and others the other day, and I know I discussed with him the matter of having 2 hours of debate, that that was agreeable to him. I do not know whether or not the gentleman from California was on the floor when I made the statement just read by the gentleman from North Carolina, but I believe it would be a matter of simplification if the time were divided as suggested by the gentleman from North Carolina. Certainly neither the chairman nor any member of the Committee on Interstate and Foreign Commerce would accuse me of wanting to take any prerogatives away from what I consider to be one of the greatest committees of the House of Representatives, but I do not believe this would be establishing a precedent, since you are establishing the precedent of extending the time of debate an hour.

Mr. LEA. Mr. Speaker, as I have before indicated, we have no desire to deprive the opposition of one-half of the time. The question that appeals to me is whether or not I would be justified in agreeing to such an arrangement when I believe that if there is a division of time the hour should properly belong to the ranking Member on the other side.

The SPEAKER. Will the gentleman from California, for the benefit of the Chair, kindly restate his request?

Mr. LEA. My request, Mr. Speaker, was that the time be in charge of the chairman of the conference committee, but that we have an understanding that half of that time be assigned at the request of the gentleman from New York [Mr. WADSWORTH].

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

Mr. WARREN. Further reserving the right to object, Mr. Speaker, I believe in all fairness the gentleman from California should modify his request.

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

Mr. WARREN. Certainly.

Mr. LEA. I understand that the minority side has no objection, and that removes my objection. I had the feeling that it was the duty of the chairman to be just regarding the practice of the House in reference to a division of the time, favoring the ranking minority Member. However, in view of the understanding that this is not objectionable to the minority, I ask unanimous consent that we have 2 hours of debate, to be equally divided, the chairman of the conference committee to have charge of 1 hour and the gentleman from New York [Mr. WADSWORTH] to have charge of the other.

The SPEAKER. Is there objection to the request?

Mr. WOLVERTON of New Jersey. Reserving the right to object, Mr. Speaker, some reference has been made during the discussion to the fact that if there is a division of time then half of the time would belong to the ranking minority Member. It has not been my understanding that such is the case under the rules. I am of the opinion that the time allotted for discussion of a conference report is all in the control of the chairman of the committee. Thus the reference to a portion of the time being at the disposal of myself as senior minority Member seems to me a mistaken idea. I have the feeling, however, that when this matter was presented to the House by the majority some days ago there had been a misunderstanding, as far as the conferees were concerned, as to the time that should be used for debate and the disposal of that time. I participated in a conference with the majority leader and the subject matter of the conference was whether the consideration of the conference report should go over until this week. We agreed to that. Some suggestion was made as to what time there should be for debate. The conferees who were present indicated there was no objection on their part to the extension of the time to 2 hours, but at no time was it discussed with the conferees as to who should have the control of that time or how it should be divided. No member of the conference committee was on the floor at the time the majority leader made the statement that has been referred to by the gentleman from North Carolina [Mr. WARREN]. If we had been present, I assume one of us, at least, would have called attention to the fact that the latter portion of his statement had not been agreed to.

However, if the chairman of our committee, to whom it seems to me the time should naturally be allotted, is willing that someone who is not a conferee have the disposal of the time, I would not differ with him. I would permit his judgment to prevail, as far as I am concerned.

However, it seems to me that the very suggestion that the gentleman from New York should have the disposal of the time in opposition to the bill, and particularly in view of the fact that he has not had any part in the work of the conferees, is in the first place more or less of a suggestion or inference that if the time were left in the hands of the chairman of the committee it would not be fairly handled and that the opposition would not be given an opportunity to be heard. No one in this House who knows the gentleman from California, CLARENCE LEA, the chairman of the Committee on Interstate and Foreign Commerce, would ever think for a moment that he would not dispose of the time in a way that would be fair to the opposition. [Applause.] Whatever objection I might have to the procedure that has been suggested is not to protect any so-called rights that I might have as the ranking minority member, but is because it takes on a false premise from the gentleman from California [Mr. LEA], chairman of the committee, what I believe to be his right—a premise that no one would think could exist so far as the gentleman from California, CLARENCE LEA, is concerned.

I wish to make this statement so it may be understood that as far as I am personally concerned I do not care who has charge of the time, so far as it affects my rights, so long as the opposition has an opportunity to be heard. I do think, however, that it is a wrong division of the time, after the conferees have worked over this bill for a period of months, with a great number of questions involved in which other Members are interested, that one-half of the time should be allotted to those who are interested in only three amendments to this bill. If we are going to give them the right to dispose of the time, I suppose they will say, "We will let others

be heard besides those who are interested in the amendment in which we are interested." In other words, they will be fair, but my point is that under the rules of this House the time belongs to the chairman of this committee, and the House should have confidence in his judgment and in his disposition to be fair. [Applause.]

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

Mr. VAN ZANDT. Reserving the right to object, Mr. Speaker, may I ask the chairman of the Committee on Interstate and Foreign Commerce if he stated a moment ago this request establishes a new precedent?

Mr. LEA. It is, so far as I am aware. However, I cheerfully make the request. I hope it will not be a precedent for the future, but under the circumstances I am glad to make the request.

Mr. VAN ZANDT. Continuing my reservation of objection, I cannot see necessity of establishing a new precedent, when we have a piece of legislation on the floor which concerns the railroads of this country, just for the sole purpose of giving the inland waterways interests additional time. I am in favor of giving all the time to the ranking member of the minority, and for that reason I object.

Mr. LEA. I would be very glad if the gentleman would withdraw his objection.

Mr. RAYBURN. What are you going to do about it? You are just going to reduce the time to 1 hour if you object to this request.

Mr. VAN ZANDT. Mr. Speaker, further reserving the right to object, I have no objection to extending the time to the 2 hours, but I do object to giving the gentleman from New York [Mr. WADSWORTH], who is not a member of the committee, the right to control the extra hour.

Mr. RAYBURN. The gentleman from New York is a member of the committee, however.

Mr. VAN ZANDT. I beg your pardon; I meant that he is not one of the conferees.

Mr. RICH. Mr. Speaker, reserving the right to object——

The SPEAKER. Did the Chair understand the gentleman from Pennsylvania [Mr. VAN ZANDT] to object to the request?

Mr. VAN ZANDT. I withdraw my objection.

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

Mr. RICH. Reserving the right to object——

The SPEAKER. The gentleman from Texas has demanded the regular order. Is there objection?

Mr. SCHAFER of Wisconsin. The regular order is—I object. [Laughter.]

Mr. WARREN. Mr. Speaker, I rise to a question of the privileges of the House.

The SPEAKER. The gentleman will state his question of privilege.

Mr. WARREN. Mr. Speaker, as I have heretofore stated, reading from the RECORD of May 2, there was a solemn agreement and statement entered into although, of course, the request was not officially made, but the statement was made by the majority leader after he had stated that he had conferred with the minority leader, the conferees on this bill, and others who were interested in it.

The SPEAKER. Under the rules, and, of course, the gentleman from North Carolina is familiar with them, when a question affecting the privileges of the House is raised, it is necessary to have some resolution so that the Chair may have something before him.

Mr. WARREN. Mr. Speaker, of course, I am fully aware of that rule, and I will suspend, because I have not the resolution prepared. I did not anticipate this; but I will say it is in violation of a solemn agreement made here in this House which this body, I predict, will bitterly and deeply resent. [Applause.]

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman from California [Mr. LEA] has been recognized for 1 hour.

Mr. CASE of North Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman from California has the floor.

Mr. LEA. Mr. Speaker, I renew my original request for a division of time, with the understanding that the gentleman from New York [Mr. WADSWORTH] is to control one-half of the time.

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

Mr. COLE of Maryland. Reserving the right to object, do I understand that the gentleman is asking for 2 hours or 1 hour?

The SPEAKER. Two hours.

Mr. SCHAFER of Wisconsin. And the gentleman from New York [Mr. WADSWORTH] is to have one-half the time?

Mr. LEA. Yes.

Mr. SCHAFER of Wisconsin. Is not that the same request the gentleman made a moment ago?

Mr. LEA. It is.

Mr. SCHAFER of Wisconsin. I object, then, Mr. Speaker.

Mr. LEA. Mr. Speaker, I renew the request that the House unanimously agreed to before of 2 hours of debate, with the ranking Member on the minority side to control one-half of of the time.

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

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, is it not possible, under this request, for the ranking minority Member, in turn, to yield his time to the gentleman from New York, so that all may be accommodated and we may proceed?

Mr. LEA. I will state that I am making this request on the expectation that that is what will be done, and I am glad to concur in that purpose.

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

Mr. WOLVERTON of New Jersey. Mr. Speaker, reserving the right to object, the unanimous request that has been submitted by the chairman of our committee assumes that there is a right on the part of the senior Member of the minority to have control of the time. I do not understand that such is the case. I think his request should be as he originally made it—that there be 2 hours of debate, in charge of the chairman of the committee, the gentleman from California [Mr. LEA], with the understanding that one-half of the time will be allotted to speakers for the opposition, and the further understanding to recognize the gentleman from New York [Mr. WADSWORTH] in the allotting of that time to the different opposition speakers. I do not want the responsibility of allotting the time. I want it to stay right where it belongs, with the chairman of this committee; and if it is done in the way I suggest, everybody will have their opportunity and the precedents of the House will be retained. [Applause.]

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

Mr. ALEXANDER. Mr. Speaker, I am forced to object to the request of the gentleman from California, in view of the importance of this measure to the district I have the honor to represent.

The SPEAKER. Objection is heard. The gentleman from California is recognized for 1 hour.

Mr. RAYBURN. Mr. Speaker, will the gentleman from California yield?

Mr. LEA. I yield to the gentleman from Texas.

Mr. RAYBURN. Mr. Speaker, I think of the story of our good friend Tom Heflin about the colored fellow saying that he had never before heard so much so and so raised about one little piece of meat in his life, and I have never heard so much fuss raised about tweedle dee and tweedle dum as we have seen here this morning. I ask unanimous consent that the debate on the conference report be extended for 1 hour.

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

Mr. WADSWORTH. Mr. Speaker, I reserve the right to object, and I do not intend to object to the particular request of the majority leader. I am particularly anxious to dispel the confusion or misunderstanding relating to this subject. It is apparent that men have conflicting ideas about it. May I say in all earnestness that I have no pride of position in the matter if there is any position at all. In view of the objections that have been made and the motives back of them, which I do not question, let me say to the majority leader that I for myself am perfectly willing that the chairman of the committee [Mr. LEA] control the time, with the understanding that I shall submit to him the list of Members who in good faith have asked me for time, and to whom in good faith I have given absolute assurance that they would have that time, with the understanding that he will introduce those Members into the debate. I may say to the majority leader and to the chairman of the committee that the 60 minutes which for a while I thought were coming to me, have all been promised, and I hope that under those conditions the gentleman from California will let those gentlemen have their say.

Mr. RAYBURN. Mr. Speaker, the request that I have made is that there shall be 2 hours of debate. If that is granted, then all of the 2 hours' time will be in the control of the gentleman from California, for I have attached no condition to the request. I think that the wishes of the gentleman from New York would be conformed to.

Mr. WADSWORTH. Mr. Speaker, I am glad to express my confidence in the gentleman from California.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and the gentleman from California is recognized for 2 hours.

Mr. LEA. Mr. Speaker, I yield myself 15 minutes. The conferees, after 16 months' dealing with the transportation problem, present to this House a unanimous agreement, reconciling the differences between the Senate and the House bills. We believe that we are presenting to this House a useful, practical, desirable piece of legislation concerning one of the greatest problems of this country—that of transportation. Notice has been given that a motion will be made to recommit this bill. It is interesting to note, and I particularly call the attention of the House to the fact, that no proposal in this motion to recommit is made to strike a single sentence from the bill. The only proposals are to change the present law in addition to the changes in the bill.

Two things will attract your attention if you will study the three proposals in the motion to recommit. One is that each one of these proposals is highly controversial, and the other is that in each of these cases the proposal is of very doubtful utility. It is highly controversial. The settlement of the three proposals in this motion to recommit might well be left to future legislation when the committee could give ample time by hearings and consideration to dispose of what is here suggested in this proposed motion.

It is my purpose to discuss as hurriedly as my time will permit the three proposals. The first is in reference to the treatment of employees on the consolidation of railroads. In 1936 the railway employees of the United States, all the brotherhoods, signed an agreement with the railroads representing 87 percent of the mileage of the railroads of the country, in which they agreed upon dismissal wages for employees whose dismissal would be caused by a consolidation. In that agreement it was provided that a man discharged should be paid compensation for a time running from 6 months to 60 months, after dismissal, depending upon the length of his service at the time of the consolidation.

Subsequent to that agreement the President appointed a Committee of Six, composed of three from labor and three from managers, to reconcile the differences between the managers and labor preparatory to legislation in this House. That committee in substance agreed on a proposal that the Interstate Commerce Commission, before approving a consolidation of rail lines should require that fair and equitable arrangements be made for the protection of employees who might be affected by the consolidation. The House committee accepted exactly what the Committee of Six proposed. The bill presented to the House, as far as this feature is concerned, is what labor and management agreed should be done for labor in case of consolidation. When the matter came to the floor of the House or before it came, an interunion difficulty developed, and when the bill came to the floor, what is known as the Harrington amendment was adopted. That provided that before the Interstate Commerce Commission could approve the consolidation, it must find that no unemployment will result from the consolidation.

In other words, if anybody is going to be unemployed because of the consolidation, it shall not be approved, and there shall be no consolidation.

Unfortunately, the whole trouble is on account of this interunion fight as to what should be done with reference to this particular problem. But I call to your attention, to begin with, that representatives of each of the brotherhoods have signed this agreement on which the committee acted in bringing this bill to the House.

When we went to conference this fight was continued. It was a question for the conferees to try to compromise. What we desired to do was to find a provision acceptable to the conferees that would be reasonably acceptable to both groups in the fight.

Finally, the best thing that we could agree on that seemed to offer promise of accomplishing this purpose was in the conference report that was brought to this House. We were led to believe, and I think justified in the belief, that if we struck the consolidation provisions from the bill and left the consolidation law as it is, the cause of this opposition to the bill would disappear, and that labor could be fairly united. That could be done without destructive results to the bill.

Mr. Whitney was the leader of this movement for the Harrington amendment and the movement along that line. After the conferees agreed, Mr. Whitney sent this telegram:

> Please be advised that opposition Brotherhood Railway Trainmen to Senate bill 2009 was based upon the consolidation section of the bill. Now that the conferees have eliminated that section, the source of our opposition is eliminated.

Then further he says:

> However we shall continue our earnest effort to obtain legal protection for labor in consolidation and abandonment situations.

The gentleman from Iowa [Mr. HARRINGTON], about that time, filed a separate bill to deal with the question as a separate problem. Later Mr. Whitney joined in a statement to the conferees asking that the bill be recommitted. In that letter, this statement was made, signed by Mr. Whitney, at whose suggestion we, in effect, struck out the consolidation provisions. He says:

> We are disappointed to learn that the conference committee which considered S. 2009 has stricken out of the bill the consolidation section as amended by the House. In brief, there have been taken out of the bill the only provisions which were of direct benefit to the men actually engaged in operating railroad transportation.

That was after the wire that I have read to you. In other words, in the first place, the railroad labor organizations came united before our committee asking for the provision that we put in the bill, and we did put it in. Then after the conference followed this suggestion we have this movement to reverse what they had been seeking, to recommit this bill because we did the very thing that was done at their suggestion in the conference.

The recommittal that is proposed as to the consolidation provisions is that the Interstate Commerce Commission shall, before approving a consolidation, require an equitable arrangement as to the employees in cases of consolidation, and in cases of abandonment where there is a substitute form of transportation to take the place of the discarded rail lines.

This amendment goes beyond the Harrington amendment. It includes abandonments, in case of substitute railroad service, and then it goes further and provides that these consoli-

dations shall not be approved if they will result in employees being in a worse condition with respect to their employment. That provision nullifies all the discretion given the Commission. It makes that condition of the employee the dominating consideration; if an employee is in any worse condition, the consolidation cannot be approved.

There is no time limit in which an employer is to maintain those men in a condition equal to that under which they were discharged. There is no provision, as there was in the railroad agreement, that a man shall be paid in proportion to his length of service.

When a railroad is abandoned its tracks are torn up and the investment is largely destroyed, and to apply the same test or requirement as to taking care of labor in abandonments as in cases of consolidation is entirely unwarranted.

What is the practical thing? What should we do for labor in those cases? Is it not fair to provide for taking care of them for an adjustment period of a reasonable time, but hardly right to take an indefinite responsibility for them for an unlimited time? If that is a good rule for railway employees, why is it not a good rule for the rest of the employees of the country? Can we go home to our farmers and say to a farmer, "Because you have employed a man for a while without any specific period and you no longer have a job for him, for any reason, you are going to become responsible for supporting him after the reason for his employment has terminated"?

Certainly that is about as wild a proposition as this House was ever asked to approve.

Now, if the bill becomes a law as we present it to you in this conference report, what have we done for those employees who may lose employment? I call your attention to this fact, that after this bill was reported and acted upon by the House the Supreme Court rendered a decision sustaining the power of the Interstate Commerce Commission to require equitable provisions be made for the protection of employees before approving a consolidation. Provision was made for employees covering a period of 5 years.

The retained employees were to be compensated in excess of their reduced salaries, so that their salaries would remain as before. Dismissed employees were to be partially reimbursed for that 5-year period. The time covered by the payments was dependent upon the length of time the employees had served the employer. Transferred employees who were not discharged were allowed their traveling and moving expenses.

The total savings, it was estimated by the Commission, as found by the Supreme Court, was $500,000 on account of this consolidation. The Interstate Commerce Commission awarded the employees $290,000 of that $500,000 savings by the consolidation.

That is what the employees will have for their protection if this bill is passed as written. That will be the right of employees after this bill, as we have it here today, is approved.

Mr. George Harrison is a man than whom there is none higher in railway labor, and he says:

> I am opposed to referring the bill back to the conference committee because this action will endanger enactment of the legislation at this session.
>
> There is no danger to railroad employment in this proposed legislation. To the contrary, railroad employment should improve if this legislation is enacted.

And then 12 of the brotherhoods of railroad employees have concurred in a statement to the effect that they are opposed to referring the bill back to the conference committee.

> Railroad employees already have the decision of the Supreme Court in the Rock Island case and the Washington protection agreement to protect railroad jobs in consolidation.

I cannot spend any more time on that.

I want now to call your attention to what is known as the Jones amendment, which deals with the question of differentials, or injustices, particularly as they might affect agriculture. In this connection before reaching that subject I want to call attention to the fact that in the bill as it passed the House and as we have it here today, is included what is known as the Ramspeck amendment. The Ramspeck amendment was carefully thought out, leadership in it, of course, being taken by the gentleman from Georgia for the very purpose of trying to correct the inequalities and injustices in the freight structure as it affected agriculture in this country. It has particular reference to raw materials. That is an amendment that was placed in the bill in the House. This provides in the unreasonable preference section that the area protected shall include regions, districts, ond territories now fixed or heretofore covered and shall also include any particular district placed to an unreasonable disadvantage or prejudice.

The resolution provides for placing in these rates agricultural commodities and raw materials and then provides that if they should find the order unreasonable in any other respect of the commodities or in their relationship to each other they may enter into such orders as may be appropriate for the removal of the unlawfulness.

The SPEAKER. The gentleman from California has consumed 15 minutes.

Mr. LEA. Mr. Speaker, I yield myself 5 additional minutes. I realize I have not time to discuss these things as they should be discussed.

Mr. Speaker, the Jones amendment refers particularly to export rates. For over 50 years we have had a practice among the carriers of providing export rates for products destined for export to foreign countries, which are lower than the domestic rates. For instance, out in Ohio there may be a factory which wants to send its goods to South America or some other foreign country. Competition is keen. In order to enable that product to compete in the foreign market it has been common practice for the railroads voluntarily to reduce their rates so as to enable that American product to reach the foreign market and compete with like foreign products. This is to the advantage of American production and American labor because we get into a market which otherwise we would not reach. Those rates are subject to attack on account of discrimination or injustices, or being unreasonable, the same as any other rate is subject to attack.

The law as it stands is just the same in reference to agriculture as to industrial products so far as those rates are concerned. The same method of protection is available to anyone who may be injured by it. Now, here is a situation that may complicate the matter from the standpoint of understanding. Industrial rates are ordinarily higher than agricultural rates because agriculture ordinarily deals with cheap products whereas industrial products are high-priced. For instance, suppose we have a carload of bicycles and a carload of wheat. The carload of bicycles might be worth $4,000 or $5,000 whereas the carload of wheat might be worth only $600. They do not and cannot pay the same rate.

There is a low-cost transportation; in other words, it is common practice in the transportation of heavy commodities throughout the country to give a low rate to the cheap product. That must be done to enable the low-cost product to move to market. The high-priced product pays a higher rate. Between them the carrier is enabled to go ahead and do business.

The suggestion of the gentleman from Texas is to put on an arbitrary rule to control this rate-making as to industrial and agricultural products. Instead of leaving it to the determination of whether the rate is reasonable in each individual case it is proposed to require the rate to be a certain proportion of the industrial rate, whether warranted or not. What the gentleman from Texas really wants is to apply the average rate. But the average rate is made up of low rates and high rates. It is an intermediate rate. So if you appear before the Commission and ask a reduced rate on any particular product, agricultural or industrial, you are really entitled to what is reasonable for that particular product and not an average rate. The question should naturally be: What rate should apply to the particular product? The gentleman from Texas has presented to the Membership of the House a letter comparing the export rates on agricultural

and industrial products. For instance, here is the question of wheat shipped from Amarillo, Tex., to Galveston, Tex. The domestic rate in that case is 35 cents, and the export rate is 35 cents.

Mr. BULWINKLE. May I not call the gentleman's attention to the fact that that is purely an intrastate rate and that in such a case the Interstate Commerce Commission does not pass upon the rate?

Mr. LEA. No; the Interstate Commerce Commission does not pass on the rate. But the two rates are equal, the export rate and the domestic rate. The gentleman from Texas [Mr. JONES] reaches the conclusion that they are denied the export rate, but I can say to you just as it appears on the record that they are getting the export rate because in this case the rate is reduced possibly in order to move the wheat, both for the domestic and foreign market alike. It is only the product that moves at a high domestic rate on which a liberal reduction can be made to reach the foreign market. The low-cost article may move at a rate that cannot afford a reduced export rate. To require the same reduced rate as to both would be an absurdity.

The fact that the two rates are the same may indicate that the product has already been given the advantage of the export rate so that the local rate is the same. You have a very low differential. If gravel or sand or some other heavy product, which is very cheap, must move, if it moves at all, at a very low price, you cannot reduce that rate very much, but on the bicycles you can greatly reduce the export rate in order to reach the foreign market.

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, I regret that I cannot proceed to discuss these questions on to the end. The fundamental trouble with the proposal of the gentleman from Texas is that it attempts to provide an arbitrary rule of rate making that disregards the essentials on which correct rate making must be based. In order to fix a just rate for any product, agricultural or industrial, you have to consider whether or not the traffic will move at that rate, the value of the product, the competitive conditions, the equipment required to move it, whether or not it requires protection against weather, the space occupied, and so forth. All those various things that enter into the cost of moving the traffic must be considered.

No one familiar with rate making has supported the Jones amendment. The Southern Traffic League and the North Carolina Traffic League joined in a statement to our committee saying that the Jones amendment should be stricken from the bill, and they made this statement:

> It is wholly impossible of intelligent administration.

Those are men who represented shippers, not the carriers, and I may say the Interstate Commerce Commission has taken the same view.

Mr. COX. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Georgia.

Mr. COX. Mr. Jefferson, now the patron saint of all liberal-thinking people of the country, once said that the whole art of government consists of the art of being honest. This is an attempt on the part of a great committee, headed by a great American, to arrive at an honest solution of a most difficult problem, and I think it terribly unfortunate that certain agricultural groups and others now are resisting the attempt on the part of the gentleman and his colleagues to do that which it is proposed to do in the proposition that he now presents to this House.

Mr. LEA. I appreciate the gentleman's statement. I have seen some of the statements sent out against this bill that are absolutely without foundation in fact. It is a shameful thing that paid lobbyists will send out broad, unsupported conclusions to try to damn a piece of legislation like this which represents the heart and faithful interest of the conferees. Never, in all my 24 years in Congress, have I seen conferees that have striven more faithfully, more sincerely, and with greater ability to produce a piece of legislation that would be a credit to the Congress.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. In my State we recognize the importance of the rail carriers, and want to treat both the railroad companies and their employees fairly, but we must keep the long-and-short-haul clause. Will this piece of legislation, which the conference report covers, make any change in the long-and-short-haul clause, or does that remain as heretofore?

Mr. LEA. It remains as it has been heretofore. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, this subject is so large that obviously it cannot be covered by any one person in 10 minutes. I merely want to call the attention of the Members of the House to some of the circumstances under which this bill comes before us.

When it was originally before us I opposed it after listening to the hearings held by the Interstate Commerce Committee. I opposed it largely on the ground that I could see no necessity for the regulation of inland-waterway traffic nor coastal-waterway traffic by the Interstate Commerce Commission. No group of shippers in the United States had ever asked for any such regulation so far as I can remember and no portion of the public has lodged any complaint with any Member of Congress or with the committee, or, so far as I know, with any agency of the Government, protesting against evils supposed to exist in connection with water transportation, inland or coastal. I am sure it is not inaccurate to say that the demand for the regulation of inland and coastal water-borne traffic comes principally from the railroads. I think that is a matter of common knowledge. I am not here to abuse the railroads. I have been their friend on many occasions and have tried in my small way to defend them against unjust attacks frequently, but the fact that they are for the regulation and the extension of the power of a bureaucracy to this inland-waterway traffic and to coastal-waterway traffic does not affect the merits of the proposal.

Mr. Speaker, I have been brought up in the belief that the seas are free and that the rivers are free to men who have the courage and the enterprise to launch their vessels, and that there is no public necessity to compel any American citizen to get the permission of the United States Government before he launches his boat on the Mississippi River or on our coastal waterways. If there were some huge evil which had risen, some great public corruption or nuisance which required the interposition of the Government, I would modify my opinion, but there are none. The traffic is regulating itself. That is conceded by the shippers.

It proved impossible, or became apparent that it was impossible, to eliminate from this bill when it was before the House of Representatives the provisions relating to the regulation of water-borne traffic, provisions against which the Maritime Commission, the Secretary of Agriculture, and the Chief of Engineers have protested. This being the case, and facing what was probably the inevitable, Senator MILLER, of Arkansas, introduced in the Senate bill on the floor of the Senate an amendment which might in some degree at least preserve to water-borne traffic an opportunity to expand in the future, despite the opposition of other forms of transportation.

It was known as the Miller amendment, and I am going to read it to you:

> In order that the public at large may enjoy the benefit and economy afforded by each type of transportation, the Commission shall permit each type of carrier or carriers to reduce rates so long as such rates maintain a compensatory return to the carrier or carriers after taking into consideration overhead and all other elements entering into the cost to the carrier or carriers for the service rendered.

Contrary to some of the information that is being passed around, this Miller amendment—and I introduced the identical amendment in the House—cannot lead to an increase

in rates. It is designed to permit a reduction in rates when the carrier can show that despite the reduction he can still make some money. [Applause.] I want to know why that is opposed. There may be some technical difficulty about arriving at the compensatory rate, but, after all, Mr. Speaker, we have ceased now to attempt to regulate monopolies. The railroads are no longer monopolies. We have turned a complete somersault in this legislation, and we are now attempting to regulate competition between types of carriers. You cannot regulate competition between types of carriers unless your Commission learns through experience what the compensatory line is. They have to come to it if they are going to regulate competition.

The object of the Miller-Wadsworth amendment was to leave the door open at least to the water carriers to reduce a rate, despite the protest of the railroad attorneys who will appear before the Commission and protest, to lower a rate and expand their business. The tendency of this bill as it is written is that it means in the end the suppression of water traffic. The little man cannot break into it. He has to get a certificate of convenience and necessity from the Commission or a permit to operate as a contract carrier, and when he comes to Washington to get it he meets the railroad opposition.

Mr. WOLVERTON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I cannot yield now.

I have been impressed with the fact more and more as I serve in legislative bodies that as we expand our regulations, as we reach out with Government control in every conceivable direction, the last and most seriously hurt man is the little man. He cannot resist and stand up against the power of the big man who, with influence and ability and professional help, can defend his case and his application before a Commission. It is the little man who, under this bill, will have a very hard time ever to put his boat on the Mississippi or Ohio or up and down the coastal regions. The Miller-Wadsworth amendment is a desperate attempt to leave the door open just a little way to the little man who wants to engage in water-borne transportation. Both Houses adopted this amendment verbatim. The House of Representatives adopted the Wadsworth amendment on the Lea bill, and the Senate adopted the Miller amendment on the Senate bill. Both Houses approved it, and the conferees have left it out entirely. It may be within the technical rights of the conference committee to omit a provision approved by both Houses of the Congress, but I ask you to search your consciences and reply whether that is an ethical legislative practice. [Applause.]

Mr. LEA. Mr. Speaker, I yield 12 minutes to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Speaker, when this bill was up for discussion last July there was a constructive and earnest effort on the part of the rank and file composing the Committee of the Whole to improve the measure rather than to destroy or mutilate it. At that time our efforts were successful, and the bill left the House a much better measure than the one we were presented with. I am, of course, opposed to the whole thing, because we seek to set up a frightful monopoly that will exact its toll for generations from the backs of the American people. It is beyond my understanding how anyone could be lured to support such a thing when at this very time the Congress is expending hundreds of thousands of dollars to investigate monopolies and when the Government is going into the courts to break them up. My opposition, therefore, is basic, but I joined with others in seeking to at least give some protection in this monopoly to the American farmer, to railroad labor, and to the American public, which is generally always lost sight of when we pass class legislation.

If, as it was argued last year, the railroads were sick and were losing money, which everyone knows was caused by their own misdeeds, we now find that during the last 12 months they have had a net income of approximately $65,000,000 against a net deficit the year before of approximately $150,000,000, and that they are today making more money than they have ever made since 1929.

The motion to be offered by the gentleman from New York [Mr. WADSWORTH] contains three amendments that the House by large votes wrote into the bill. The decisions were so clear-cut that the gentleman in charge of the bill did not dare even to call for a separate vote on any of them, but they were ruthlessly stricken from the measure by the conferees and the will of the House was flaunted and held in contempt.

Is there anyone who can stand here and challenge the amendment placed in the bill by one of the greatest friends the American farmer has ever had, the gentleman from Texas [Mr. JONES]? Is there anyone who can advance a logical argument as to why the products of the farm shall not enjoy the same privileges extended to industry? But the Jones amendment has been stricken from the bill because this is a railroad bill and written solely for the railroads.

Is there anyone here who can stand and successfully challenge the wisdom and fairness of the Miller-Wadsworth amendment, which would give a measure of protection to the public, and provide that each type of carrier can reduce their rates so long as such rates maintain a compensatory return to the carrier? That was passed, as has been stated, by a unanimous vote in the Senate and by a large majority in the House, and the will of both Houses has been flaunted and denied. Oh, why should the public be considered, anyway? What business is it of theirs if they are crushed between the upper and the nether grindstones? So far as they are concerned, the conferees have taken the same attitude of a railroad financier of days past who declared "the public be damned." The deletion of the Miller-Wadsworth amendment is going to cause a change in the rules of this body. Under the pretext of striking out all of the Senate bill, under a ruling by Speaker Cannon years ago, they have the technical right to strike out an amendment that was passed in identical form in both bodies. This means a delegation of lawmaking to 12 conferees.

Is anyone going to stand here and successfully argue why railroad labor should not be protected in this monopoly? Last July four of the great railroad brotherhoods favored this bill, and we all know that was the only reason it was passed. I warned them at the time that they were being taken for a ride and were being sold down the river. They wake up now and find it is all too true, and today we have six of the great railroad brotherhoods bitterly opposing this measure and asking you as their friend to vote to recommit. Two hundred and seventy-five Members of this House solemnly petitioned the conferees to retain the Harrington amendment in the bill. Why was it left out? It was left out so the railroads could continue their policy of making jobless some of the finest labor in the world. If those of you who signed that petition meant what you said, then the only way to give expression to it is to vote to recommit.

Who oppose this bill here today? Here are just some of them: The Secretary of War is against it, the Secretary of Agriculture is against it, the United States Maritime Commission is against it, the National Grange, and many other farm organizations are against it, all of the maritime unions, all of the longshoremen's unions, the Central Trades and Labor Council of New York City, with 700,000 members, the Brotherhood of Locomotive Engineers, the Brotherhood of Firemen and Enginemen, the Order of Railway Conductors, the Brotherhood of Railway Trainmen, the Switchmen's Union of North America, the Order of Railroad Telegraphers, the National Council of Private Motor Truck Owners, representing 1,500,000 privately owned trucks in agriculture and industry.

All of them believe this bill to be inimical to the public welfare.

Oh, the gentleman from California [Mr. LEA] spoke about lobbies. Why, we all know that one of the greatest lobbies that has ever been gathered here, with vast resources at their command, are on hand to foist this iniquitous measure on the Nation in the dying days of the Congress. Telegrams

have come in here this very day from railroad employees stating that the management has gone to them with telegrams already prepared and demanding that they sign them at railroad expense, so as to leave the impression they are contrary to the position taken by their national organizations. The tactics of past lobbies make you know that is all too true.

If the House, Mr. Speaker, wishes to write its bill and wishes its will to be upheld rather than accept a new measure, written by 12 conferees, where its will was ignored, then you will vote to recommit this conference report with instructions to place back in it what you, by overwhelming majorities, had previously voted for. [Applause.]

Do not think or do not get the idea that this measure is not going to be an issue. Sometimes, after their rights have been bartered away, the common sense of the American people finally asserts itself and they speak in thunderous tones. The greatest political graveyard the House has probably ever known followed the passage of the Esch-Cummins Act, and those who voted for it were swept into oblivion. Look at the record and see if that is not true.

The safest vote, Mr. Speaker, for every Member of this House to cast today is to vote to recommit this bill under the motion offered by the gentleman from New York [Mr. WADSWORTH]. [Applause.]

Mr. LEA. Mr. Speaker, I yield 6 minutes to the gentleman from Maryland [Mr. COLE].

Mr. COLE of Maryland. Mr. Speaker, as one of the conferees dealing with this important subject, I hope the membership of this House will realize before they attempt to recommit this measure that for almost 3 solid months your managers have labored, trying to reconcile what appeared at times to be insurmountable difficulties in conference. We have reported to you a bill that places for the first time under the Interstate Commerce Commission the regulation to some extent of our water carriers. I want you to realize as you hear this discussion today that practically every Member of this House who asks you to recommit this measure would not vote for the bill if you did so and it is returned with instructions complied with. The gentleman from New York [Mr. WADSWORTH], the gentleman from North Carolina [Mr. WARREN], would not vote for this bill if you approved of the motion to recommit unless they propose to completely reverse the position taken by them last summer. They are opposed to this legislation in any form and the same goes for the gentleman from Iowa [Mr. HARRINGTON].

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

Mr. COLE of Maryland. Yes.

Mr. HARRINGTON. Does the gentleman make the statement that I would refuse to vote for the bill if the motion to recommit be carried and the report were brought back for this House to consider with the Wadsworth, Jones, and Harrington amendments contained therein.

Mr. COLE of Maryland. The gentleman voted to recommit the measure in July last, and I assume that the gentleman would vote the same way again if the bill should come back to the House with his amendment in it. I do not know why the gentleman voted to recommit the measure in July after his amendment went in.

Mr. HARRINGTON. If the gentleman will permit, I guarantee to vote for the bill if the motion to recommit is carried and the conferees bring the bill back as the instructions of the House will demand.

Mr. COLE of Maryland. That would be a very pleasing reversal of form on the part of the gentleman when we look at his vote in July last. With but two exceptions all of the gentlemen speaking in support of the motion to recommit today voted to recommit the measure last July. They are opposed to any legislation such as the bill before you, even if amended, as they now recommend. Mr. Speaker, I suggest the Members of this House take the Jones amendment in one hand and the Wadsworth amendment in the other hand and read them side by side. Read the purpose of the Wadsworth amendment as presented to you by the distinguished gentleman from New York, and the purpose of the Jones amendment, as it will be explained to you later, one asking that rates be reduced for the benefit of the farmer, the other saying that you cannot reduce the rate, and after reading the two, if you do not agree with me that they are as opposite in purpose as any two propositions ever presented to this House, then I do not know what I am talking about.

I represent a district which has much water in it, bordering on the Chesapeake Bay and the many estuaries of that bay, and when I see pictures which have been presented to us and hear of other competitive conditions, with no regulation whatsoever, I think in all fairness to the transportation system of this country—rail, water, and motor—that we should place them under one regulatory body. Yes; your conferees took out the Wadsworth-Miller amendment, and the Jones amendment, but we put in other provisions in which you will find safeguards and protection against the very thing that they want safeguarded. I want such safeguards just as much as they do. You cannot read this bill without coming to the fair conclusion that the Interstate Commerce Commission in administering it must be fair to all forms of transportation.

I suggest that you read the declaration of policy at the very outset of this bill and after finding therein the following declared purposes "to provide for fair and impartial regulation of all modes of transportation so administered as to recognize and preserve the inherent advantages of each type of transportation and to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices," see if you do not agree with me that this mandate of the Congress can mean but one thing and that is that the purpose of this legislation is not to do away with competition between the three principal modes of transportation but is the exact opposite.

Various substantive provisions to which I have referred briefly in the short time I have to discuss this subject have been added to carry out the purposes to which I have referred. Section 5 of the bill amends section 3, paragraph 1 of the present act. That section as now worded makes it unlawful for any railroad to establish rates which result in undue or unreasonable preference or advantage to any person or locality or to any particular description of traffic. Section 5 of the bill amends this provision first by expanding the description of the localities intended to be covered so as to include any region, district, or territory and also adds a proviso that that paragraph is not to be construed to apply to discrimination, prejudice, or disadvantage to the traffic of any other carrier of whatever description. Under this amendment it is certain that no rate named by a water carrier could be found to be unlawful on the ground that it resulted in undue prejudice or disadvantage to a rail carrier.

You will find section 21 of the bill relating to rates of motor vehicles and section 305 (c) relating to water carriers having similar provisions. Section 305 (c) contains an additional sentence the purpose of which is to make clear the intention of the bill that water rates are not to be held up by the Interstate Commerce Commission to aid rail carriers or for any other purpose. I leave it to every reasonable mind in this House if the language to which I refer does not accomplish that very purpose. It reads:

> Differences in the classifications, rates, fares, charges, rules, regulations, and practices of a water carrier in respect of water transportation from those in effect by a rail carrier with respect to rail transportation shall not be deemed to constitute unjust discrimination, prejudice, or disadvantage, or an unfair or destructive competitive practice, within the meaning of any provision of this act.

Section 21 of the motor-carrier part of the bill and section 307 of the water-carrier portion set forth a rule similar to section 9 of the bill, which amends the rate-making rule set forth in section 15a of the present law. The amendment adds a clause which obligates the Commission to give con-

sideration, among other things, to the effect of rates on the movement of traffic by the carrier or carriers for which the rates are prescribed. By comparison the importance of this change is apparent. I wish I had the time to further discuss along this same line the effect of section 6 of the bill, which retains the so-called long-and-short-haul clause of the present law and section 7 of the bill, including the new provision prohibiting other carriers subject to the act from engaging in any particular type of discrimination against water carriers.

In view of the foregoing it does not seem to be necessary or advisable to insert in this legislation the Jones or Wadsworth amendments.

These two amendments travel, as I stated, in directly opposite directions. Both present an attitude by Congress to set up a statutory rate-making policy. I thought that long since we had determined it was decidedly inadvisable to do such a thing and that the Interstate Commerce Commission and other agencies functioning as efficiently as they have should be left exclusively to handle that very complicated activity. The Jones amendment purports to be in the interest of the farmer and intends to bring about reductions in rail rates on farm products. The Wadsworth amendment, offered in the interest of the water carriers, is intended to prevent reductions in the rail rates on any commodities with respect to the transportation of which the railroads are in competition with water carriers. Some have suggested the effect of both would unquestionably bring about increases in rates. I leave to the careful reading of the language in these two amendments your decision in that respect. It is easy to conclude that they would result in increases in rates of all types of carriers on many commodities. I make the prophecy now that if these two amendments are adopted it will go far toward eliminating competition between the different types of carriers.

Looking at the Jones amendment, I wonder if it is a practical solution. Farm products are not shipped from the same points as are industrial products. The same principles apply to agricultural commodities as to industrial products so far as concerns the fixing thereon of export rates. That has been taken care of in other provisions of the bill, such as section 5 of the bill and section 3 of the present law.

The Wadsworth amendment launches us upon the full-cost theory of rate making. Upon reflection and not long after this vote is taken many Members will realize the disastrous results which will follow should such a rule be invoked. Transportation rates are made and should be made to encourage the movement of goods. All of us can cite instances where rates are now lower than would be necessary in order to meet the full-cost rule. Such is especially true of rates on farm products and raw material where a long haul is required. It is glaringly true of passenger fares. Apply the Wadsworth amendment and many existing rates would be raised, resulting in harm to carrier and ruin to many shippers. This statement is made because I conclude that the amendment, when applied, would raise rates to a point which would prevent the movement of important traffic. The long-established industrial centers could not stand up under what I see ahead in applying literally the rule laid down in this amendment, and the same can be easily imagined as to agricultural and mining commodities as well.

Mr. Speaker, this legislation was requested initially by the President of the United States and has been the subject of intense hearings, long and serious debate, and, finally, dozens of meetings under the leadership of Senator WHEELER, who has treated all problems and all phases of this subject with fairness and ability. We have left the conference hand in hand, a united group, until a little while ago I heard that one Member would likely vote against what his signature recommended. Such is his privilege. For him I have nothing but the greatest respect and regard, but with that exception we ask you as your conferees to let this bill become law and renew your fight for certain changes here and there in the form of special legislation dealing with those isolated subjects. There is nothing to this fight against this bill except the adroitness of a group of Members opposed to the bill in most any form.

The SPEAKER pro tempore (Mr. PATMAN). The time of the gentleman from Maryland has expired.

Mr. LEA. The gentleman from North Carolina [Mr. WARREN] yields back 1 minute of his time. I now yield 10 minutes to the gentleman from Iowa [Mr. HARRINGTON].

Mr. HARRINGTON. Mr. Speaker, when I offered my amendment last July I did so because there was no protection in the bill for the employees in the event of consolidation, nor is there adequate protection for them in the present law, and it is for this reason, and this reason only that I believe you should vote to recommit the bill, with instructions to the managers on the port of the House that they insist that the modified language for labor protection be placed in the bill together with the change in the present law which will contain the consolidations sections requested by the railroads.

There is not a railroad labor organization in the country which does not believe they should have further protection and those who have asked you to vote against recommitment are only doing so because they too have been misled into believing that recommitment will kill the bill.

Mr. PATRICK. Mr. Speaker, will the gentleman yield for a second?

Mr. HARRINGTON. Yes.

Mr. PATRICK. Did the gentleman not vote to recommit and then after the gentleman's amendment passed the House vote against the bill while the Harrington amendment was in it?

Mr. HARRINGTON. Mr. Speaker, I have already stated that I voted to recommit the bill, and I refuse to yield further.

Mr. Speaker, I hold in my hand a petition signed by 275 Members. Let me read the preamble to that petition. It is just two short paragraphs. This is what 275 Members of this House asked the conferees to do, in good faith:

> The undersigned Members of the House of Representatives respectfully petition that the Harrington amendment inserted in the Wheeler-Lea bill, S. 2009, by vote of the House be retained in the conference report.
>
> Secondly, we urge and insist in the event you do not retain the Harrington amendment in the conference report that the Harrington amendment be reported in disagreement so that a separate vote on same may be obtained in the House.

Two hundred and seventy-five Members said when you signed that petition that you believed as I do, that labor should have protection. If you meant what you said then, now is the time to show these men that you did, and vote to recommit, and then when the conferees bring it back with the amendment protecting these railroad labor boys, vote for its passage.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. HARRINGTON. No; I do not yield; I do not have the time.

The gentleman from California [Mr. LEA] has discussed at some length the wage agreement of 1936. You are told that this problem already has been solved by the so-called Washington jobs agreement of 1936. Before accepting this easy evasion of the social problem involved ask yourself if you would be content to surrender your life's work for a mere 60 percent of your salary for a period of a few months. That is all there is to that agreement. The inadequacy of the so-called dismissal wage agreement of 1936 was ably stated at the time of its execution, when President A. F. Whitney, of the Brotherhood of Railroad Trainmen, said:

> I want to emphasize that so far as the Brotherhood of Railroad Trainmen is concerned, the agreement with the carriers relative to consolidation and coordination can in no sense be interpreted to mean that the way is clear for railroad consolidation and coordination. This brotherhood will continue to fight as vigorously as it always has such efforts to economize at the expense of humanity. * * * We have now entered into an agreement with the carriers, designed not to improve the standards of living or working conditions of railroad workers, but to share with them a small portion of the booty that would come to the coupon clippers if Wall Street's demand for economy at the expense of humanity is carried out.

In this time of mass unemployment, does this Congress want to accept a solution that, by its terms, contemplates

greater unemployment, reaching down into nearly every community in the Nation? The 1936 jobs agreement constitutes only what railroad financiers voluntarily accepted. In 1916 when this Congress enacted the Adamson law that brought about the great social reform of the 8-hour day, it did not evade the issue by yielding to a theory that the Congress should not deal with the problem because the railroads and their employees had in existence contracts providing that a day's work should be longer than 8 hours. Ask any man employed by the railroads in the capacity of engineer, fireman, conductor, trainman, switchman, telegrapher, or clerk whether he believes the Washington jobs agreement of 1936 protects him. His answer will invariably be, "No; not to the extent it should."

Democracy and social progress must never be restricted by the boundaries of private agreements. If we accepted that theory, we would still have the "yellow dog" contract. As legislators for all the people, our vision must encompass the social needs of all the people. We must not be limited to a private agreement that proposes to buy up, at bankrupt prices, the jobs of necessitous workers at a time when too many of our willing fellow citizens have no jobs.

The gentleman from California [Mr. LEA] quoted at some length from a letter from Mr. Whitney, of the Brotherhood of Railroad Trainmen. Let me say that Mr. Whitney wrote a letter to the gentleman from California [Mr. LEA], dated May 6, after Mr. Whitney's first message, and I think a copy of this is in the RECORD. Mr. Whitney said:

Your address, as reported in the daily CONGRESSIONAL RECORD of May 3, suggests that your conception of the labor-protective provision is entirely erroneous. You state that such a legal provision would have the effect of imposing "on the employer the duty of indefinite if not a lifetime support of employees for whom he no longer has a job." As a practical matter you must know that is not so. Average railroad consolidations eliminate from 20 to 25 percent of the employees. Without the labor-protective provision those employees youngest in point of service would be spared that fate, and the eliminations would come from the other end of the seniority list, as deaths, resignations, and retirements occurred. Such attrition from deaths, resignations, and retirements, for all railroad employees now average upward of 5 percent per year; but for train-service employees who are most severely affected by consolidations, the attrition rate is between 2.5 and 3.5 percent. Thus, on the whole, employee eliminations from consolidations would be gradually and humanely absorbed within a short period of time, especially with an increase in railroad business, which is claimed if S. 2009 is enacted into law. The only way in which you could be correct in your reference to lifetime support is to assume that the lifetime of railroad workers will be short, indeed. Although we railroad employees feel somewhat hardier than that, it may be true that if you force tens of thousands of us into the bread lines you will so shorten our span of life.

I must again remind you that railroad financial interests have expressed the hope that they could save $500,000,000 annually from consolidations if they succeed in obtaining enactment of S. 2009 without the labor-protective feature. Eighty percent, or $400,000,000, of that sum would come from the pay rolls. The so-called Washington jobs agreement, executed 4 years before this ambitious banker program was revealed, constitutes only what the railroad financial interests would agree to—it is not a standard of equity or social desirability.

You erroneously refer to the proposed labor protective provision as a "dismissal wage" proposition. The dismissal wage is only another attempt to achieve national prosperity by providing meager compensation for nonproduction. Before concluding that such an arrangement is equitable, ask yourself if you would be willing to forego pursuit of your life's calling for a mere 60 percent of your present salary for a few months. Railroad employees want honest pay for honest work; that is what the labor protective proposal offers. A dismissal wage proposition proposes to buy up, at bankrupt prices, the jobs of needy workers. I regard the Washington dismissal wage agreement of 1936 now, as I did when it was executed, on which occasion I said:

"I want to emphasize that so far as the Brotherhood of Railroad Trainmen is concerned, the agreement with the carriers relative to consolidation and coordination can in no sense be interpreted to mean that the way is clear for railroad consolidation and coordination. This brotherhood will continue to fight as vigorously as it always has such efforts to economize at the expense of humanity. We have now entered into an agreement with the carriers, designed not to improve the standards of living or working conditions of railroad workers, but to share with them a small portion of the booty that would come to the coupon clippers if Wall Street's demand for 'economy' at the expense of humanity is carried out."

I think that definitely answers the statement quoted by the gentleman from California.

Much has been said concerning the fact that there was an interunion fight. I have in my hand a telegram, and I am authorized to speak today for the following brotherhoods. I want to read this telegram:

WASHINGTON, D. C.

Hon. VINCENT F. HARRINGTON,
Member of Congress, House of Representatives:

Approximately 1,000 general chairmen representing employees in the transportation service of the railroads of the United States now in session at Chicago are deeply concerned in railroad bill, S. 2009, and they have authorized us to urge you to support the motion to recommit the conference report on this bill which will be considered by the House on Thursday, May 9, and provide protections against unemployment resulting from consolidations, etc. We appeal to your sense of justice and fairness to save railway employees from the menace of further unemployment.

A. JOHNSTON,
Grand Chief Engineer, Brotherhood of Locomotive Engineers.

D. B. ROBERTSON,
President, Brotherhood of Locomotive Firemen and Enginemen.

J. A. PHILLIPS,
President, Order of Railway Conductors.

A. F. WHITNEY,
President, Brotherhood of Railroad Trainmen.

T. C. CASHEN,
President, Switchmen's Union of North America.

V. O. GARDNER,
President, Order of Railroad Telegraphers.

Every Member of Congress has received a copy of that message and knows full well as to its authenticity. It emphatically refutes the argument presented by the gentleman from California that any of the brotherhoods have agreed and now accept the conference committee report. The last issue of Labor, a paper well known to all the Members as the voice of the organized and affiliated railroad-labor organizations, spoke in emphatic terms in its last issue on behalf of the motion to recommit this report.

Something was mentioned by the gentleman from Maryland to the effect that the conferees adopted a policy of give and take. They most assuredly did—on the basis of take everything and give absolutely nothing to railway labor.

Something was also said concerning the vicious lobbying on the part of the waterway groups. I want, at this point, to tell the membership that this is not the first time such accusations have been made. However, I think the shoe should be on the other foot. No legislative body I have ever been a member of has ever been subjected to such pressure on the part of the railroads. I want to read a telegram just handed me by my good friend the gentleman from Utah [Mr. MURDOCK]:

OGDEN, UTAH, *May 8, 1940.*

Congressman ABE MURDOCK,
Washington, D. C.:

Southern Pacific Railroad are having petition signed by employees addressed to you and Congressmen from Nevada, Arizona, and California for which they are paying all expenses of circulation and transmission, reading as follows: "We are individual members of one or more of the 21 standard railroad labor organizations having a substantial interest in the adoption by Congress at this session of Senate bill 2009. Urge your vote for bill and against its recommitment to committee." Men who have signed this petition state they did not know what it was all about.

S. M. WELSH.

I think I need say no more concerning these ridiculous and absurd charges.

I would not have the temerity nor the courage to face this body today if I could not tell you gentlemen positively that all of organized railroad labor is opposed to the passage of the conference report and heartily and almost unanimously in favor of the motion of the able gentleman from New York [Mr. WADSWORTH].

In introducing the so-called Harrington amendment to the Wheeler-Lea transportation bill, S. 2009, I was motivated by a desire to prevent any action by Government which would result in widespread unemployment of railroad workers, with the resultant economic deflation of communities throughout our Nation, that must accompany railroad consolidations. I am confident that when this House by a large majority adopted that amendment, and when 275 of my colleagues signed a petition on behalf of it, they were anxious that this

Congress refrain from taking any action that might result in greater unemployment and economic deflation.

The managers on the part of the House did not retain the Harrington amendment in their recommendations on S. 2009. On the contrary, they struck out the only portion of the bill which provided direct protection and benefits to railroad workers. This would leave in force the present law on railroad consolidations, which gives to railroad employees only such protection as the Interstate Commerce Commission chooses to provide under its powers to approve consolidations. In dealing with the Nation's transportation facilities, we are dealing with our Nation's life line. We are changing law that has been on the statute books for 20 years. I am unwilling to legislate on such a vital subject matter, unless we may meet the problem courageously and completely. That the joint conference report does not so deal with the problem is well indicated by the report of the House conferees, page 61, wherein it is stated:

> Employees had a fear of unemployment and to some extent communities feared the loss of transportation due to the possible consolidations under present circumstances where a revival of the transportation industry might show that such consolidations were unwarranted.

The bill recommended by the joint conferees contains nothing to remove these justified fears and to solve the grave problem of social and economic welfare inherent in those fears. I, therefore, strongly feel that the conference report should be recommitted, that opportunity may yet be had to deal completely and intelligently with this problem. The motion to recommit, which will shortly be made by my distinguished colleague the gentleman from New York [Mr. WADSWORTH], will contain an instruction to insert the consolidation section of S. 2009, as it passed the House, with a labor protective clause designed to accomplish the purposes intended to be accomplished by the Harrington amendment. This provision has the approval of all of the workers engaged in the engine, train, and yard service of the railroads, the men who actually operate the transportation system of the country. It likewise has the approval of the Order of Railroad Telegraphers. It is these groups of railway employees who will be most seriously affected by railroad consolidations, and it is their wishes and their welfare that should have our serious consideration.

The labor protective provision, which so many of us favor, is beneficial to all railway employees. It protects the public against the slow death and the withering of entire communities, that always accompanies railroad consolidations. It is good for the railroad industry, because it will stay the hand of railroad financial interests which, instead of squeezing the water out of the capitalization of that industry, are bent upon reducing the physical plant of our great railroads, so necessary in time of war or in time of peace and prosperity. The proposed labor clause sets up specific legislative standards for the Interstate Commerce Commission to follow, instead of permitting the Commission to exercise a free and easy discretion as to what is in the public interest. By the adoption of this provision in the transportation bill, the Government refrains from becoming a party to a program that inevitably means the destruction of many jobs for railroad workers. But this provision also contains a clause that permits the industry, through the processes of collective bargaining, to work out its problems in a democratic manner.

Without the labor protection provision, those railroad workers with the shortest periods of service will be cast off into the bread lines as a result of railroad consolidations. With this provision, these younger men will be spared that fate, and job eliminations will come gradually from the other end of the seniority list, as deaths, resignations and retirements occur. If S. 2009 will bring to the railroad industry the prosperity that its supporters contend for it, then the natural attrition will shortly have absorbed the employees that otherwise would be eliminated if this Congress does not now deal with this problem. It is small wonder that proposition so eminently fair, so economically sound, so socially desirable, should have the overwhelming approval of the great majority of my colleagues. It is not surprising that this proposition has earned and won Nation-wide support, as the adoption of many resolutions, and the signing of many petitions so impressively illustrate.

But there are other reasons why I am opposed to this abortive attempt to succor the railroads. There is no doubt but that the bill does accomplish one outstanding result. It provides the means by which to eliminate the benefits of low-cost transportation. On the other hand, its stringent provisions of regulation, both as amending the motor-carrier phase and introducing the water-regulation phase, definitely lay the foundation for the elimination of the small business and the opportunity for a monopoly of transportation and business development thereon by large business. To explain what I mean, let me say that our experience with similar provisions in the Motor Carrier Act clearly indicates the future trend under regulation of this type, and water-carrier developments are already indicating a like trend. For example, the common-carrier mode of transportation is the little fellow's only means, as he has neither the capital nor the volume to acquire or operate economically his own transportation equipment. This means he must rely on the highest of all rates, namely common-carrier rates. On the other hand, large operators, by reason of their volume and wide territorial scope of operations, and financial capacity, are able to own, maintain, and operate their private transportation facilities. Our own experience in actual operation has produced the following results. Common-carrier truck rates in the Sioux City area have substantially doubled since the advent of the Motor Carrier Act in 1935. Concurrently, large business firms, and this applies especially to chain stores, have established either by ownership or lease their own private operations, and are conducting their own transportation, with the result that the existing common carrier is deprived of a large part of its volume of freight and must, of course, further increase its transportation rates. The small independent merchant, the farmer, and other small shippers is still compelled to use the common carrier, while his competitor across the street, the chain store, operating its own unregulated transportation equipment, is delivering competitive goods at a cost far below the independent.

The harshness of this principle has been somewhat mitigated by the ability of small business concerns to engage contract operations at a cost commensurate with the cost of operation. But even this type of operation is available only to the shipper who has a substantial volume. Under the more stringent provisions of the proposed act, as I interpret it, and under the administration of the Motor Carrier Act, as my observation indicates, the definite trend of policy of the Interstate Commerce Commission is to elevate all contract rates to the level of the common-carrier basis.

Already the identical operation of this principle is developing in connection with inland waterways. Today the Socony Vacuum Oil Co. is docking an 800,000-gallon tow, by barge, of petroleum at Omaha, transported up river from its refinery at Kansas City. The latter part of May the same company will arrive at Sioux City with a similar tow. The equipment used is owned and operated as a private carrier by that company. The Cargill Commission Co. is arranging for the establishment of a similar private service. Large steel companies already own and operate their private barges on the Ohio and Mississippi and will doubtless extend such operations up the Missouri. These private operations mean the advantage of actual savings due to the mode of transportation. On the other hand, it is out of the question for the independent oil company or the small independent grain firm or the independent steel, sugar, or other dealer with a limited volume of tonnage to acquire private equipment to operate on the river.

With regard to the grandfather clause, section 309 of the conference report provides that no carrier may institute operations by water after passage of the bill without securing, upon substantial proof of public convenience and necessity, a certificate from the I. C. C. On the other hand, paragraph (d) of section 309 provides that any existing carrier on any now navigable waterway may extend its operations at any

time hereafter on any newly developed extension or project without securing such certificate. The Sioux City and New Orleans Barge Lines Co. was incorporated late in 1939, has acquired considerable capital in its treasury, and is now negotiating for floating equipment consisting of towboats and barges. But under the provisions of this report the Sioux City and New Orleans Barge Lines Co. cannot commence operations on the Missouri River until it has gone before the I. C. C. and proven public necessity. This is clearly discrimination between existing carriers on the lower rivers and the newly formed company proposing to operate on the Missouri. The existing carriers may come into the newly developed Missouri at any time they choose, if they choose, but the new Sioux City company is estopped until it secures authority.

The rejection of the Miller-Wadsworth amendment by the conference committee is on its face at least a deathblow to any benefits of reduced transportation charges by the use of the river. The declaration of policy may mean nothing or anything, and almost any sin may be committed and justified thereby.

It is very evident that if the House accepts this conference report it is buying a pig in a poke, for the conference report is not the bill passed by the House in the first instance. The whole thing is cleverly designed, and the haste in passage urged by its sponsors is the clearest indication that they hope to slip something over.

Another absurdity I wish to call to the attention of the House is the last subsection of section 309 of the conference report:

Provided, however, That no terms, conditions, or limitations shall restrict the right of the carrier to substitute or add contracts within the scope of the permit * * * as the development of the business and the demands of the carrier's patrons shall require.

This is identical with the last paragraph of section 209, Motor Carrier Act, except "demands of the public" appears in place of "demands of the carrier's patrons" in the last line.

Now, literal reading of this provision in the Motor Carrier Act would indicate that if a motor carrier is authorized to transport fresh cream for a packer the law permits him to "add contracts" by contracting with a creamery. On July 23, 1937, in a motor-carrier case—T. B. Longshore contract-carrier application—the I. C. C. did so interpret this provision of the Motor Carrier Act. This decision is reported in Second Motor Carrier Reports, page 480, of the I. C. C. However, on October 19, 1939, in Keystone Transportation Co. contract-carrier application, a division of the I. C. C.—different personnel than the previous decision—reversed its former ruling and held that a contract carrier of groceries for a chain store could only haul groceries for a retail grocery store. If the patron seeking this contract service happens to operate some other kind of a business, even though he handles groceries, such patron is outside the scope.

I am having personal contact with the result of this ruling, which, by the way, is reported in 19 Motor Carrier Report 475 (I. C. C.), and in which one of the three deciding Commissioners dissented. A contract carrier, heretofore hauling for some of the Sioux City packers, including the hauling of dairy products, under I. C. C. authority, sought to add a creamery to his patrons. His authority clearly authorizes cream hauling from South Dakota to Sioux City, but the I. C. C. has told him such authority applies only to a packer and not to a creamery. So he discontinued hauling cream back to Sioux City in his returning empty trucks in which he hauled meat and other goods from packers in Sioux City to South Dakota. However, "unprocessed agricultural commodities," including fresh cream, may be hauled as an exempt commodity under the Motor Carrier Act, when hauled in vehicles "used exclusively for such transportation." Our creameries need the service, and need it badly, and it is remunerative as a back haul. So the motor carrier has assigned two trucks to the "exclusive" hauling of our creameries' cream. Result: One set of trucks leave Sioux City with meat for South Dakota and return to Sioux City empty; another set of trucks leave Sioux City empty, go to the identical South Dakota towns, load with cream, and return to Sioux City. Did Congress mean this ridiculous result? I cannot believe it.

In closing, there is one more thing I should like to mention. The district that I represent is on the end of a quarter-of-a-billion-dollar improved Missouri River channel. That river will be certified for navigation in 1941. Until such time as certification is made, there is no assurance of a definite or established channel, and hence no river operator would feel warranted in extending his services to Sioux City.

Therefore any bill which would be passed by the Congress should permit the use of this improved Missouri River for at least 2 years past the time of certification is put upon its use. It will take at least 2 years of practical operation to determine the type of equipment desirable and whether water transportation can be used advantageously by the different industries along the Missouri River.

To foreclose the use of this river after having spent $250,000,000 is not good business, and is denying the advantages to the entire Missouri Valley which the improvement of this river had hoped to bring.

In other words, any bill of regulation of water carriers which will contemplate the improving of additional rivers, such as the Red, the Tombigbee, Arkansas, and other rivers in Texas, should not be restricted in their use for the monopolistic benefit of present-established water carriers, as the bill now provides.

The policy of Congress should be at least to permit a 2-year interim for experimentation in the use of any rivers that are not certified at this time before any reasonable restriction of their use can be effected by the Transportation Act of 1940.

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Speaker, the crucial hour has arrived for transportation legislation in this Congress.

If the conference report on S. 2009 is approved the railroads and their thousands of employees will be given a new lease of life. On the other hand, if this bill (S. 2009) is recommitted railroad legislation for this Congress and the next few years is out of the question. The chief opposition to this bill is the inland-waterway interests, who enjoy the free use of 5,573 miles of inland waterways constructed by our Government at a cost of $900,000,000 with a further annual maintenance cost to the Government of $2,278 per mile.

In addition to receiving these benefits the inland waterways are tax-exempt, thereby being the recipients of an outright Federal gratuity at the expense of the American taxpayers.

These benefactors of millions of dollars of public funds have maintained one of the most expensive lobbies that Washington has ever seen in an effort to keep their so-called cheap transportation from being placed under the supervision and regulation of the Interstate Commerce Commission.

Let us analyze their claim of so-called cheap transportation by comparing it with the modern railroad facilities to ascertain whether or not any inequality exists between these two modes of transportation and, if so, who pays the difference.

The report of Chief of Engineers, United States Army, 1938, shows that 663 miles of the upper Mississippi River were developed at a cost of $277,000 a mile, with an annual maintenance cost of $2,300 a mile; that 979 miles of the Ohio River were developed in like manner at a cost of $144,000 a mile, with an annual maintenance cost per mile of $4,000; that 525 miles of the New York Barge Canal were developed at a cost per mile of $358,000, with an annual maintenance cost of $5,000 per mile; the Illinois Waterway, with 350 miles, is listed as costing the Government $133,000 per mile, with an annual maintenance cost of $2,000 a mile; the lower Missouri River, with 386 miles, is reported as costing $204,000 per mile, with an annual maintenance cost of $3,400 a mile.

If time permitted I could proceed at length in further analyzing the cost of construction and maintenance of in-

land waterways, which to date, and as already mentioned, has cost the taxpayers of this country $900,000,000.

Do not forget the taxpayers in every State, in every community, are paying the bill for this so-called cheap transportation.

In a few words, let us refer to the lower Missouri River again. For every ton of freight carried to date by the inland waterways on that river the Government paid a subsidy of $9.75 a ton. Is this creap transportation? The rivers charge a rate based on cost plus a legitimate profit, while the inland waterways quote a lower rate per ton through the fact that the difference is paid by Government subsidy which is untimely taken out of the pockets of the American taxpayers. I repeat, gentlemen, is this cheap transportation?

On the other hand, the railroads who will benefit by the passage of S. 2009 have constructed, solely at their own expense, 222,000 miles of track at a cost of $63,000 per mile, with a further annual maintenance cost of $1,600 per mile.

The total economic cost of doing the job on the railroads is less than it is on the rivers and canals even when it is considered that besides paying their own cost the railroads pay taxes averaging more than $1,600 per mile each year, or approximately 10 cents out of every dollar taken in.

As a result of the comparison, we have simply this picture—the inland-waterway interests using Government constructed and maintained waterways absolutely free, while the railroads not only pay their own way but in addition, pay taxes used to maintain political subdivisions of our Government, including schools, hospitals, and highways. They likewise help to pay the bill for constructing and maintaining these Government subsidized inland waterways who are their cutthroat competitors.

Contrary to the cry of the inland-waterway interests, the passage of S. 2009 is not intended to destroy the inland waterway but merely provides that they be subjected to the regulations of the Interstate Commerce Commission in the same manner as the railroads and the bus- and motor-transportation industry.

Simple justice demands that all modes of transportation be treated alike, and this Congress, by approving the conference report on S. 2009, is not only performing a public duty but is making a lasting contribution to the advancement and development of the inland waterways. For be it remembered, gentlemen, that the railroads, bus- and motor-transportation industries, as well as the air-transport service, all expressed fear of Government regulation.

Today no greater champions of Government regulation and supervision may be found than these same modes of transportation, and I predict the inland waterways will share their opinion when they have had opportunity to enjoy the benefits of the Interstate Commerce Commission regulation. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, I yield 11 minutes to the gentleman from Texas [Mr. JONES.]

Mr. JONES of Texas. Mr. Speaker, I regret exceedingly to go contrary to the wishes of my good friend, the gentleman from California [Mr. LEA], for whom I have a high regard as well as great affection. I appreciate the work done by him and his colleagues on this conference committee. But for the fact that I feel so deeply that agriculture has been discriminated against for a great many years in the rate structures, especially in export rates—the structure is shot through with discrimination—I would not do so.

Mr. Speaker, my amendment strikes for the correction of these discriminations. If they do not exist the amendment does not amount to anything. They say that the discrimination does not exist. If you will read the amendment on page 63 of the report you will find that it simply undertakes to correct the discriminations. Do these discriminations exist? Let me read to you what a Commissioner of the Interstate Commerce Commission said in the grain rate hearing of 1930:

> Our carriers have extended, and we have not interfered, to manufacturers of iron and steel articles, automobiles, and farm machinery rates 25 percent lower on exports than on domestic shipments. If the same principle were here applied to wheat and its products it would have a vast beneficial result.

I quote this further, from the Commissioner's statement:

> Taking all the above transportation facts into consideration and entirely leaving out economic considerations, it seems to me that export rates 15 percent lower than domestic rates are justified and conservative. These are less than the carriers have extended to certain manufacturers. The advantage of export rates is acknowledged by carriers and manufacturing industries which have built large outlets for our products in foreign lands. * * * I am authorized to say that Commissioner Tate concurs in that part of the foregoing which expresses the opinion that there should be lower export rates because of different transportation conditions.

Mr. Speaker, I understand that the philosophy of giving to industry and to industrial products reduced rates is to encourage the disposal of surpluses and thus enable the factories to run full tilt and perhaps furnish articles lower in price than they would otherwise be able to furnish. But if that principle is good for industry, why is it not also good for agriculture? Is there any peculiar charm about an industrial commodity that does not exist in relation to a farm commodity?

The gentleman from California [Mr. LEA] sent out a statement to the Members of the House. That was the reason I sent out one in reply. The gentleman from California made the statement that the amendment is unworkable. Just why is it unworkable as to agriculture but workable as to industry?

After my amendment was adopted in the House I voted against the motion to recommit and for the transportation bill. I visioned the end of a long fight that some of us had been carrying on for years. I am greatly disappointed now that the committee saw fit to eliminate that amendment.

The statement was made in a letter to you that this was the first time this matter had been brought to that committee. I am sure my friend had forgotten. I have made a score of speeches in the last 20 years on this subject, and I hold here in my hand 3 resolutions introduced in 1929, 1930, and 1931, that were referred to the Committee on Interstate Commerce. On June 23 of last year, before the bill was reported to the House, I sent a copy of this amendment to the chairman of this committee. I have a copy of my letter transmitting it. That was nearly a month before the bill was reported to the House. I asked them in the light of these existing discriminations to include that amendment in the bill.

This amendment was carefully drawn. After working for a number of years on this proposition, I decided that I would be certain to get this amendment in proper form. One of the best draftsmen in the drafting service, Mr. Perley, who sits yonder, drafted the mechanics of this amendment for me. I want to say after that experience with him that I know of no better draftsman than Mr. Perley. [Applause.] He also helped in the drafting of the bill.

Mr. Speaker, I wish the Members would think about some of these discriminations. I call their attention to one or two. Let us take the case of farm implements, shipped from Chicago, Ill., to New Orleans, La., loaded on the same platform and unloaded on the same dock, one to be used by the Louisiana farmer and one to be shipped to a foreign purchaser. The Louisiana farmer pays a rate of 88 cents a hundred, but the export rate is 49½ cents a hundred, only a little more than half. Iron and steel shipped from Gary, Ind., to New York take a domestic rate of 52 cents, but an export rate of 36 cents; cotton shipped from Little Rock, Ark., to Galveston, Tex., or from Oklahoma City to New Orleans; and wheat shipped from Amarillo to New Orleans have no export rate reductions. The statement has been made by some—and I am astonished by some of the statements that are made—that these discriminations are not so real. I have great tables of these discriminations in rates, and I say flatly that industry as a rule has them but agriculture, as a rule, does not have them.

One of the basic principles of American life is equality in the application of law. I am pleading for equality for agriculture.

For the reason that this important amendment was left out of the bill, I am going to vote for the motion to recommit, although I voted for the bill.

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

Mr. JONES of Texas. I yield.

Mr. THOMASON. I agree with all the gentleman has to say. I certainly think we ought to do something to get rid of the disgraceful and indefensible freight differentials. But does not the gentleman think that the so-called Ramspeck amendment included in the amendments to section 3 includes all the gentleman stands for and even more?

Mr. JONES of Texas. It does not touch what my amendment touches. The gentleman will find if he reads it that that amendment applies to intraterritorial rates and does not touch export rates. Besides, if the gentleman will look at that amendment, he will find that it is limited to the discretion of the Commission to make it applicable just when shippers apply for it.

I want to say they take much of the life, in my judgment, out of the Ramspeck amendment, but even if it did all the gentleman from Georgia [Mr. RAMSPECK] contended for, it simply applies to regional rates as between different parts of the United States—and I am for correcting those discriminations—but it does not apply to through export rates.

Mr. LEA. Will the gentleman yield?

Mr. JONES of Texas. I yield to the gentleman from California.

Mr. LEA. Does not the gentleman recognize that in the Ramspeck amendment all types of traffic are included?

Mr. JONES of Texas. Yes; all types of traffic between different regions, within continental United States, if the gentleman will read it. I wish he would give me a copy of that amendment. If I read the language correctly, it applies to discriminations between regions within this country. It does not apply to export rates. Is that not correct?

Mr. LEA. Interterritorially also and as between different types of traffic.

Mr. JONES of Texas. Yes; within the territory of the United States. It does not touch these export discriminations in any way. [Applause.] The gentleman cannot stretch that amendment to cover the great export traffic that this country necessarily engages in and which means so much to some of the great commodities that are produced in this country. The Ramspeck amendment applies between points in one classification territory and points in another such territory and like rates within any of such territories. It does not apply to export rates.

Mr. Speaker, it seems to me that industry has been given many advantages. It has been given the advantage of the tariff, and I am not arguing the merits of that; but in giving those advantages to industry, a burden has been placed on cotton and wheat producers, commodities which are produced in surplus quantities. There are more than $50,000,000,000 in industrial products produced in America, and 90 percent of them are protected. The average rate of protection is 36 cents. In addition to that protection and to that advantage which is placed on the surplus-producing farmer, we turn around in the rate structure of the country and give another advantage to industry. I am not saying it is a bad thing to give an export-rate reduction, but I think in all fairness if one group of American cititzens is entitled to it, the other group is entitled to it. The reason agriculture has not had it in the main is because agriculture is unorganized. I wish I had time to state a number of these rates. If you will look over the situation, you will find that in the great centers the shippers are organized and they get much lower rates than they do in other cases.

I ask the House in all fairness to send this measure back to the committee so that this great discrimination may be removed. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, Judge Mansfield, of Texas, is to my mind the most outstanding man in point of character and high ability that I have met during my service here. [Applause.] He is a real expert in the transportation field, and is unashamed and unafraid. When on a sickbed in a hospital in Washington, he made the following statement not long ago:

> By this Wheeler-Lea bill we are giving to them (the railroads) all our rivers and canals, and with them a quit-claim deed to the Gulf of Mexico and the Atlantic and Pacific Oceans. It is to be hoped that the railroad lobby will not demand more of Congress at this time.

Now, completely corroborative of this is the statement of Judge Miller, general counsel of the Railroad Association, who stated:

> The act subjects to I. C. C. regulation coastwise, inland, and Great Lakes common and contract carriers by water engaged in interstate or foreign commerce.

These two quotations exactly corroborate each other and show beyond all reasonable doubt that the distinguished gentlemen of this committee have unwittingly brought into this House a Trojan horse which will destroy the economic liberties of the American people in the transportation field. It is an inescapable conclusion that this legislation is a direct mandate to the railroad-minded I. C. C. to raise water rates to the level of rail rates. Water rates, be it said, now average about one-tenth of the charge involved in rail rates and in coastal transportation where they are five-eighths of a mill per ton-mile, they are but one-twentieth of the cost of rail rates. The effect of this procedure, which is inevitable, will be extremely disastrous to the well-being of the American people.

Let us consider the item of gasoline, now a necessity to most Americans. An investigation made by the Sun Oil Co. of Pennsylvania, a reputable company doing a large business, showed that the savings on water transportation, and this is by way of answer to the statement made by the gentleman from Pennsylvania [Mr. VAN ZANDT], on gasoline at the pump to the American people is 20 cents a gallon. This estimate has never been denied with any authority. On all other bulk commodities the savings will average about one-half as much.

This represents a saving nationally by reason of the influence of waterways in New York State and the rest of the country of approximately $4,000,000,000 a year. Our whole investment in waterways is barely over the sum of $2,000,000,000.

I respectfully urge the House to recommit this bill. I urge them to do just that, and then take a copy of the bill home, go over it carefully, consult with your shippers, and your consumers. If the Members will do this, I am sure this is one Trojan horse that never again will see the light of day. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, I yield 7 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, there are people here who are against this bill and have been against it from the start. They talk against the extension of governmental regulation to water carriers. I say in that connection, as I have said heretofore, that this country is committed to a policy of regulation of transportation. There are no conceivable, fair reasons why, if we are committed to that policy, the extension of that regulation should not also be made to the water carriers insofar as they are in competition with other systems of transportation. The strange thing about it is that some of the people who would vote the quickest to keep away from regulation of water carriers seem to be the most intent here today to clamp down on the railroads the ultimate degree of regulation. I do not think that is fair. There is nothing in this proposal to hurt the legitimate operation of water carriers.

It is specifically provided that the economic advantages of the water carriers shall be retained to the country. It was said when we brought the motor vehicles under the control of the Interstate Commerce Commission that their rates would be raised to the level of the rail rates and they would be destroyed. Has the Commission done that? Of course it has not done that any more than the Commission would

bring the rates on water transportation up to the level of rail rates. The water-carrier exemptions are still in this bill. This is only a modest beginning to the proposition of regulating water carriers.

I want to speak for just a few moments about the so-called Jones and Wadsworth amendments. Both of them, to my mind, demonstrate clearly why it is extremely dangerous to attempt to write here on the floor legislation dealing with highly technical subjects.

The Wadsworth amendment is predicated on the erroneous assumption that water rates are going to be raised above the return necessary to take care of the water carriers, to pay them for what they do, just to improve the competitive situation of the railroads. I say that is an unjustified conclusion. Look at the wording of the so-called Wadsworth amendment. It states that carriers can reduce rates as long as they maintain a compensatory return after taking into consideration overhead and all other elements entering into the cost to the carrier or carriers for the service rendered.

The meaning of the amendment is not wholly clear in its reference to cost. Two kinds of costs are generally referred to in dealing with cost of transportation—one is the out-of-pocket cost, and the other is the full allocated cost. The out-of-pocket cost is the cost which is added by the transportation of a particular traffic, and which would be saved if such traffic were not carried. The full allocated cost includes not only the cost for which the particular traffic is directly responsible, but included a proportional share of all cost, including taxes, incurred in common in the transportation of the particular traffic and all other traffic. Presumably, the amendment refers to the full allocated cost in view of its use of the words "overhead and all other elements entering into the cost," but the words "cost to the carrier or carriers for the service rendered," which also appear in the amendment might furnish a basis for an argument that out-of-pocket cost is really meant. There is also some doubt as to the interpretation of the words "compensatory return."

How would the Commission take the language of this proposed amendment and undertake to determine what a rate should be?

Let me point out another thing to you. The amendment would provide that you cannot reduce rates below what would be a compensatory return, or the full allocated cost. Do you know that today agriculture and industry and all of us are benefiting by rail rates that are below the full allocated cost? They are below the rate that would provide a compensatory return. Do you believe the railroads can haul you for a cent and a half a mile? I say that if you put that amendment in there and the Commission gave it the interpretation that seems to be urged for it here today, you would be finding shortly that rail rates would be raised all over the country, and the shippers of this country would begin to wonder what was going on.

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

Mr. HALLECK. I do not have time to yield.

Many of these rates, let me call to your attention, are entered into to equalize the competitive situation of great producing areas to get into consuming areas. Many of them are below what would be a full allocated cost return. Why are they used? Why are they put into effect? It is to stabilize the economy of the country and to give one region as good a chance to compete for the business as another region.

If this proposition that is urged were ever written into the law it would radically revise and change the rate-making rules that have been followed. Beyond that the Congress of the United States should not undertake to fix the rates. It is a job for experts. It is a highly technical and difficult job. We created the Interstate Commerce Commission to do that job, and I think it is up to them to do it.

I want to talk just a little about the Jones amendment. I have lots of farmers in my district and I want for them the cheapest rates they can get, but there are some things in connection with that amendment to which I should like to call your attention. In the first place, there is nothing in this amendment which would change the situation by which the farmer in New Orleans would get his plow for less than he is now getting it. In other words, the rate differential as between the plow going to Louisiana and going for export would not be changed. The Jones amendment contemplates the continuance of export differentials in freight rates. It is predicated, however, upon the theory and the contention that the farmers of the country have not been given the advantage of export-freight rates on their farm products moving into export trade. The exact opposite is true. I hold in my hand lists of export-trade differentials on all manner of farm products—fruits and vegetables, corn, cotton, and everything else—where the rate on the product going into export trade has been made less than that for the domestic market.

Another thing, these export rates are all made voluntarily by the railroads themselves.

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, I yield 4 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Speaker, it is virtually impossible to discuss a proposal as important as this in 4 minutes, but there are just one or two things that have not been brought to the attention of the committee and that appear in the bill which we ought to consider to show the enormity of the iniquity that is attempted to be perpetrated on the American people by this monstrosity which is being presented to them today.

Particularly significant in connection with the amendments which have already been rejected is a peculiar proviso added to each part of the bill, rail, motor, and carrier, by which it is declared that the prohibition against discriminations which is contained in the bill "shall not be construed to apply to discrimination, prejudice, or disadvantage to the traffic of any other carrier." In the language of the street, it simply means that the longest pole gets the most persimmons, and the railroads happen to have the longest pole. This will enable the stronger form of transportation to deal deathblows to the weaker form of competing transportation by slashing comparative rates below cost. This works to the advantage of rail transportation, which has a large field of noncompetitive traffic. The rails are operating below the maximum level of capacity. They have an incentive to lower their competitive rates to a level approximating out-of-pocket costs, and they also have the ability because of size and financial strength to engage in cutthroat, destructive competition for long periods of time. They can place high rates on noncompetitive traffic, composed in large part of agricultural products, and make up their revenue shortages arising from reduced rates on competitive traffic. They can proceed to discriminate just as much as they please, and they have a legislative mandate that if it discriminates against other forms of carriers nothing shall be done about it.

Another thing to which I wish to call your attention—and another instance of the plan and purpose of this legislation—is the direction to the Commission in connection with the division between carriers of the proceeds of the joint rail and water movements, to divide the revenues between the carriers, not on the basis of their respective costs in relation to the service rendered, not on the basis of the value of the service rendered by each, but on the basis of total operating expenses, taxes, and a fair return on property employed in the service, and on this significant added basis of "importance to the public of transportation service of each carrier." This latter basis will enable the Commission to disregard all other elements and make the division on a basis without relation to costs, services, or investments, but on the basis of whatever the Commission may think as to the importance to the public of the respective carriers. No one will be mistaken as to the decision of the Interstate Commerce Commission on what it thinks is the most important type of transportation in this respect. Under this the Interstate Commerce Commission is authorized to proceed, if it believes the railroad service is so much better than that of anybody else, to impose any rates they please, within the limits of this legislative mandate.

Mr. Speaker, over the portal of the structure which is brought here today by these gentlemen should appear these words, "Abandon hope, all ye who enter here." [Applause.]

Availing myself further of the privilege granted to extend and revise my remarks, I wish to call attention to my extension of remarks to be found in the Appendix of the RECORD, page 2167. I pointed out that the differences between rail trransportation and water transportation are so basic and so vital, that any attempt to apply the same statutory rules or regulation to both must necessarily produce inequality instead of equality. The equality about which the railroads talk is equality in theory only, and in practical effect would operate to the serious if not fatal disadvantage of the water carriers.

This conference report is the sum total of the iniquitous features of the Wheeler and the Lea bills. Both of those bills had the same fundamental defect. These bills fit the specifications of the Association of American Railroads in regulating each carrier equally by applying the same rules, but the attempt to cut a steamship cloak from a railroad pattern is apt to prove disastrous to water carriers. It is like trying to employ rules and instructions for regulation of aircraft engines for the regulation of clocks and watches. It is not to be assumed that an expert aviation mechanic could regulate clocks and watches without some experience even if he did have by his side a competent instruction book on the regulation of clocks and watches. This bill will certainly not qualify as a competent instruction book for the regulation of water carriers.

The practices and procedure which obtain before the Interstate Commerce Commission with respect to discriminations alone could prove fatal to water carriers even though hardly disturbing to railroads. Water carriers have no field from which to draw a reserve while carrying on a fight. With bankruptcy in their case cessation of service becomes inevitable. A delay that is but ordinary in controversies affecting the railroads would be disastrous to water carriers.

I wonder if many men here are aware of the slow process of formal complaint, time for reply, protracted hearings, lengthy time for briefs, delays for hearings, exceptions to reports, and further argument before the Commission? Delays mean destruction to water carriers, and the railroads know it. That is one of the reasons they are pressing this bill.

The motion to recommit points out vital defects in the conference report. The bill when it went to conference was bad enough. It comes out infinitely worse. The absence of the matters covered by the motion to recommit speaks eloquently of the indifference to agriculture, disregard of the general public, and ruthless failure to consider the rights of the railroad employees. It is fortunate that before it is too late the railroad brotherhoods have recognized the voice of Jacob and have discovered the wolf in sheep's clothing. Instead of strengthening and improving the House amendments to the Wheeler-Lea bill designed to protect the interest of the producer and consumer in water transportation, they have been kicked out of the window, and the conference substitute now before the House removes the changes and improvements made by the House in the original scheme of the Senate bill to centralize and cartelize transportation in this country. These modifications and limitations would have helped to maintain the fundamental values of water transportation to the producer and consumer. Instead of that the conference substitute is designed, even more effectively than the Senate bill, to centralize, streamline, and strait-jacket the water-transportation facilities and their future potentialities in the interest of the dominating transportation. Inland waterways were developed by direction of the Congress in the 1920's in order to hold the rail monopoly in check in the interest of the producer and consumer, and this monopoly was regulated for that purpose through the device of certificates of public convenience and necessity and rigid rate regulation. At the same time, coastwise and intercoastal water transportation was regulated and inland waterways were developed by the Congress with the objective of maintaining and developing a domestic system of efficient low-cost transportation. This wholesome national policy would be thrown overboard if the pending conference substitute should be adopted.

This substitute will raise transportation costs. It will decrease buying power of the farmer and of the city dweller. It applies inflexible railroad regulation to flexible water transportation. It rejects the Miller-Wadsworth amendment designed in the interest of the public to see to it that no form of transportation could be required to charge rates higher than compensatory rates. It rejects the amendment adopted by the House which provides for reduced rates on farm products for export comparable to lower rates granted to industry. It forever removes the possibilities and potentialities of improving the water-transportation facilities and extending the benefits of its low cost to aid consumers and producers. This it accomplishes through the imposition of requirements for certificates and permits under which only existing water facilities are protected. As in the case of common and contract carriers under the "grandfather" clause of the Motor Carriers Act of 1935, the facilities of water carriers will be restricted to those necessary to take care of immediate needs and will utterly ignore the possibilities of developing instead of restricting all economic types of transportation.

The rate-making provision of each part of the bill constitutes another weapon for the destruction of water carriers. That provision strengthens the possibilty by omitting any reference to the need of consideration, when rail rates are before the Commission, for the competing water or motor transportation involved. When the Commission prescribes rail rates, its only duty under the rate-making rule is to give consideration to the effect of such rates on the movement of railroad traffic regardless of the effect on water transportation. Again, the interest of the shipper and consumer, the farmer and producer, in low-cost transportation is disregarded.

RETURN ON FACILITIES PROTECTED REGARDLESS OF VALUE TO PUBLIC

Is there protection to the interest of the general public in the rate structure? How can it be so when every provision designed to preserve the advantages of water transportation is eliminated from the bill and every key provision of the bill is designed to leave the broadest possible powers in the Interstate Commerce Commission to protect the monopolistic features of existing transportation. The intent to establish a centralized agency to exercise governmental power in order to bring competing transportation agencies into a cartel—European style—rears its head from the body of this bill. The objective is to enable transportation agencies to share traffic and divide revenues in such a way as to earn a return upon all transportation capital of existing facilities. The present high-rate level of railroads would be protected from the impact of vigorous competition. Farmers and consumers, shippers and producers would be required to pay rates based on transportation costs employing properties improvidently built, wastefully operated, and often obsolete.

BURDENS PLACED ON USERS OF CONTRACT CARRIER TRANSPORTATION

The conference substitute instead of modifying the rigid permit system proposed for contract water carriers in the original bill makes them more rigid. For example, under section 306 (e) of part III, contract carriers by water cannot change their rates on less than 30 days' notice without special permission of the Commission. This impairs the flexibility and low-cost character of contract water carriage which has been developed to meet special requirements in connection with each movement or service. The provision for suspension proceedings and hearings in respect of changes in rates of contract carriers subject such carriers to a delay and expense seriously impairing its ability to serve the shipper. This delay and expense is imposed even in case of proposals to reduce rates.

Such are the hampering restrictions which destroy the superficial protection imposed by the bill. Again, for example, contract carriers not normally in competition with contract carriers must under sections 306 (e) and 309 (h) file schedules of rates which shall give no advantage or preference to contract carriers in competition with common carriers. The Commission may increase contract carrier rates if it believes such increase is just and reasonable. Notwithstanding the cost and charges of contract carriers is

ordinarily much lower than those of common carriers, the Commission is authorized to require the low-cost carrier to increase its rates when they are considered disadvantageous to the high-cost common carriers. Thus artificial competition is introduced where no actual compensation exists at all, the objectives being, of course, to drive out the low-cost competition and maintain the high-cost rate structure.

PUBLIC INTERESTS AT THE MERCY OF THE CENTRALIZED TRANSPORTATION AGENCY

Another example is found in the provisions of section 305 (c) of part III, which are claimed to fully protect water carriers in their right to operate at low rates. Section 305 (c) says in effect that differences in rates of a water carrier in respect of water transportation from those of a rail carrier in respect of rail transportation do not constitute unjust discrimination, and so forth, under the act. The doubtful and even deceptive character of this purported protection is evident at once if you recall that the Commission has the power and duty to establish rates for each type of carrier which will, in the Commission's judgment, be just and reasonable, so as to divide the traffic between the types of carriers in the manner the Commission deems desirable in carrying out the purposes and policy of the act—disregarding costs or services rendered. Furthermore, this section is no protection against the imposition of a requirement by the Commission that water rates shall be high enough to give the railroads a greater share of the traffic available.

The very imposition of the regulations provided for water carriers raises their cost of operation, their efficiency and flexibility are destroyed, their initiative is abandoned. For example, water carriers will be restricted in their certificates and permits to specific routes and ports and every time there is a desirable change the red tape of Commission regulation must be unwound. This takes time and costs money, which is reflected in the expense side of the water carriers' books.

GREAT INDUSTRIAL CARRIERS LEFT UNREGULATED

This legislation does not touch on the largest branch of water transportation—the industrial carriers carrying their own materials and products. These industrial carriers carry the material used by steel, petroleum, lumber, and great industrial organizations. These industrial units are to enjoy the fruits of this economy without being hampered in any way. The contract and common carriers by water, however, whose low rates are reflected in lower costs of goods to the consumers, are to be restricted and their expenses increased, and the consumer foots the bill.

ELIMINATES CONSOLIDATION PROVISIONS DESIGNED IN THE INTEREST OF THE PUBLIC AND OF LABOR

The provisions of the Senate bill, section 49, and House amendment, section 8, including the Harrington amendment, facilitating and safeguarding in the public interest the consolidation of rail carriers, are omitted from the conference substitute. Thus the conferees have rejected provisions which would have helped to cut out the burden of duplicated or obsolete rail equipment and facilities, of improvident construction, and of unsound financial capital and debt structures. Not only was the real hope of revamping the rail structure in the public interest abandoned but this abandonment adds insult to injury by the argument that, since the consolidation amendments are omitted, there remains no need to protect railway labor in respect of consolidations. You will remember that section 5 and section 13 of the Interstate Commerce Act have provisions for consolidation. This existing law is available when carriers deem it in their interest to make use of it, but no proper protection is provided for employees in connection with such consolidations.

CLOSING THE BARN DOOR AFTER THE HORSE IS STOLEN

It appears that the conferees have some lingering doubts of the wisdom of their course in strait jacketing water transportation, because they set up a Board of Investigation to help determine what the policies of administration in respect of the various types of transportation should be. The pending legislation prescribes the plan of regulation. Possibly the Board of Investigators will be able to furnish ex post facto confirmation of our fears as to the mistaken policies of the regulation provided. It looks like an attempt to leave a crack in the door just in case it turns out that the legislation before you is a disastrous mistake.

CONFUSION OF POLICY

All the skill of transportation experts and draftsmen at the command of the conferees so well evidenced in the smooth design of the legislative plan put before you by the conferees for the purpose of molding water transportation to the rail structure does not conceal the uncertainties and difficulties which will face water carriers during the period of surgery when they are being cut off from the existing statutory plan of regulation prescribed by Congress in the shipping and maritime laws, and are being revamped to fit the railroad molds.

For example, the Interstate Commerce Commission will have jurisdiction over the rendition of terminal services charged for in connection with rail, motor, or water transportation but the shell of regulation of marine-terminal operators remains in the Maritime Commission—section 302 (g) and (h). The Maritime Commission will have authority to regulate practices of a marine-terminal operator—section 320 (b) (3)—but the Interstate Commerce Commission will have authority to regulate his activities as reflected in the transportation charges, which include terminal charges as well.

Again, the existing conference-agreement procedure of controlling rates and practices of water carriers in foreign and domestic shipping trades and in the important joint domestic- and foreign-transportation business is cut in two—section 320 (a) and (c)—and no provision is made to meet the problems involved in the joint activities of domestic- and foreign-trade carriers. The transshipment business, so important in connection with foreign trade, will be burdened and restricted by the interstate-commerce regulation of that part of the transportation which takes place before or after transshipment in a port of the United States.

WATER TRANSPORTATION SHOULD NOT BEAR GREATER BURDENS OF READJUSTMENT DURING PRESENT CRITICAL PERIOD

It may be years before water carriers will know exactly where they stand with respect to regulation by the Interstate Commerce Commission or the Maritime Commission. The conference substitute repeals provisions of law inconsistent with the water carrier part of the bill—section 320 (a). No one can tell what the exact status of water carriers will be until new regulations have been issued by the Interstate Commerce Commission, statutes have been interpreted, and proceedings prosecuted through the Government agencies and through the courts. The problem of adjusting the close interrelation of domestic and foreign transportation will be serious and pressing. It is an extremely unfortunate time in which to force a readjustment of the shipping facilities of our country. Our carriers engaged in foreign trade have been making adjustment after adjustment to meet the European war situation and extreme difficulties are on the horizon in connection with intercoastal and coastwise transportation. Most of the Members are familiar with the urgent legislation just passed by the House to make available additional vessel facilities for the use of carriers by water and the shippers and consumers depending on water transportation.

THE LEGISLATION IS NOT IN THE PUBLIC INTEREST

I have only been able to touch a few of the outstanding examples of the manner in which the conferees have improved the legislation before them. They have improved it in the interest of the railroads, in the interest of an overcapitalized transportation structure, in the interest of obsolete equipment and practices, but not in the interest of the farmer, the producer, the shipper, nor the consumer. They have made certain that there will be nothing in the way of the Interstate Commerce Commission in its express objective of unifying and centralizing the transportation system in the interest of existing investments, defective capital structures, and inefficiency of operation, but not in the interest of a transportation system which would have helped in the

solution of the national problems of industrial depression, domestic- and foreign-trade barriers, and widespread unemployment. They have done nothing to promote the use of existing facilities and develop the potentialities of these services in the solution of one of our major economic problems; that is, the distribution of the products of the farm and the factory to the consumer in the city and the country. Water transportation since 1920 on our coasts, our Great Lakes, and our inland waterways have been tearing away the barriers to effective distribution in our country. The conference substitute abandons these benefits and these possibilities.

Mr. LEA. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON of New Jersey. Mr. Speaker, the conference report on the transportation bill, now before the House for its consideration, represents the completion of an arduous task. The conferees have given unstintedly of their time and effort for a period of months to iron out the differences between the Senate and House and present legislation that would provide a coordinated system of transportation that would be fair and just to all types of transportation included within it and that would be in the public interest and serve the public welfare.

Nothing could more clearly and succinctly express the objective we have sought to attain than the declaration of national transportation policy which constitutes the preamble to the bill, reading as follows:

> It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each; to promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers; to encourage the establishment and maintenance of reasonable charges for transportation services without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; to cooperate with the several States and the duly authorized officials thereof; and to encourage fair wages and equitable working conditions; all to the end of developing, coordinating, and preserving a national transportation system by water, highway, and rail, as well as other means, adequate to meet the needs of the commerce of the United States, of the Postal Service, and of the national defense. All of the provisions of this act shall be administered and enforced with a view to carrying out the above declaration of policy.

The conferees, with the same care that prompted them to agree upon this declaration of policy, to give assurance of the true purpose sought to be established by a coordinated system of transportation, have zealously and faithfully sought to carry out that policy and make it effective by the provisions contained in the bill.

There has been no desire on the part of the conferees to advance one method of transportation above another. On the contrary, we have constantly sought to insure to each type of transportation the preservation of the inherent advantages of each. The objective in all our deliberations has been to provide a system that in principle and detail would operate in the public interest.

I am certain that a study of the bill will convince any fair and impartial mind that no injustice has been done, nor can any arise under the administration of the provisions of the bill, to any form of transportation that comes within its regulatory provisions. There can be no justifiable criticism of its terms. The fundamental objection that has been raised against it arises from those interests which do not want water-carrier regulation of any kind.

The necessity for regulation of activities that serve the public has long been recognized and has become an established policy of our Nation and the several States. The basic thought and fundamental purpose of regulation of businesses that serve the public is to provide an adequate, efficient, and dependable service at reasonable and just rates. With respect to transportation, this can only be accomplished by bringing all modes of transportation under a regulation that coordinates all into a national transportation system. Without efficient and dependable service, the public interest suffers as the result of wasteful competitive practices, and rates are necessarily increased.

It has been frequently stated that this is a railroad bill; that it is an effort on the part of railroads to throttle water carriers and destroy them as competitors. I direct the attention of all who have made such unwarranted criticisms to the statement made by President Roosevelt on many and varied occasions when he has advocated and urged Congress to do what this bill now does.

As a candidate for President, on September 17, 1932, Mr. Roosevelt, at Salt Lake City, expressed the opinion that there was need for a national transportation policy that would include all forms of transportation and forcibly advocated the adoption of such a policy.

On May 4, 1933, President Roosevelt, in a message to Congress, said with respect to this matter:

> Our broad problem is so to coordinate all agencies of transportation as to maintain adequate service.

On June 7, 1935, the President again reminded Congress of the need of such a transportation policy. In this message he said:

> It is high time to deal with the Nation's transportation as a single, unified problem. For many years in the past transportation meant mainly railroads. But the rise of new forms of transportation, great expenditures of Government funds for the development of waterways, and for the building of great highways, and the development of invention within the railroad system itself, have enlarged the problem far beyond that conception which dominated most of our past legislation on the subject.

Continuing, he said:

> I have from time to time, in this session, addressed the Congress as to the necessity of various forms of Government aid and regulation of transportation * * * I can see no reason why the responsibility for the regulation of intracoastal, coastwise, and inland waterways should not be vested in the Interstate Commerce Commission, with proper provision for the departmentalization of the work of the Commission.

There are many more such utterances made by the President at various times continuing up to the present. And some of these statements by the President have been in advocacy of this bill now before Congress.

The President, in recommending a single regulatory body for all transportation, recognizes that this is fundamental and absolutely necessary if any worth-while service is to be rendered to the public. He is right.

The Interstate Commerce Commission already exercises jurisdiction over railroads, motortrucks, motorbusses, pipe lines, and a considerable portion of water carriers. The Commission already has under its jurisdiction nearly 90 percent of all traffic moving in interstate commerce. Thus, what Commission could more fairly and adequately serve the best interest of all—railroads, motors, water carriers, shippers, and consumers? To place the duty in any other Commission or in different regulatory bodies would only add to the problem and make it more difficult of solution. The President is right in urging the enactment of legislation for a national transportation policy to provide a unification and coordination of all transportation facilities. He is also right in his conclusion that this important task can be best administered by the Interstate Commerce Commission with its record of more than 50 years of faithful and able service in preserving and protecting the public interest.

It is now my desire, in the few minutes that remain at my disposal, to make plain that the action of the conferees in receding to the Senate in the matter of certain controversial amendments in dispute did not destroy or unfavorably affect the bill as it passed the House.

I will first direct your attention to the consolidation provisions of the bill, which included the Harrington amendment. The Senate bill did not contain the latter amendment nor any provision that approached it in similarity. Thus it was directly in dispute between the two Houses. After long and careful consideration of the matter by the conferees it was decided that the best possible manner to deal with the controversial amendment was to strike out all reference to consolidations, mergers, and so forth, in the bill, and thereby remove the cause of the fear of wholesale dismissals that the Harrington amendment sought to protect railroad employees against.

Both the original House and the Senate bills, as reported by the respective committees, contained provisions which were thought to be sufficient to protect employees from dismissal. Each of the bills clearly and explicitly laid a duty upon the Interstate Commerce Commission to protect the employees by the following provision:

The Commission shall require, as a prerequisite to its approval of any proposed transaction under the provisions of this section, a fair and equitable arrangement to protect the interests of the employees affected.

This provision was suggested by the committee of six appointed by the President, consisting of three representatives of railroad management and three representatives of the railroad brotherhoods. The committees adopted the language suggested by them. In doing so we thought that we had provided reasonable safety and security for railroad employees against unwarranted dismissals resulting from railroad consolidations. In this view we had the unqualified support of 20 of the 21 railroad brotherhoods. They represented 92 percent of railroad labor. The Brotherhood of Railroad Trainmen, during the committee hearings, requested that all reference to consolidations be left out of the bill and that the law be permitted to remain as it was under the existing consolidation law and as it is now in the Interstate Commerce Act. This brotherhood was evidently of the opinion that the rights of labor in case of consolidations, mergers, and so forth, was protected by the terms of the so-called Washington agreement that had been entered into by all of the 21 railroad brotherhoods with the management of most of the railroads of the country. This agreement was then and still is in force without any action by Congress. Believing that we were justified in accepting the viewpoint of 92 percent of railroad labor, we reported the bill to the House with the consolidation provisions and with language that would guarantee to railroad labor the continuation of the protection gained by the Washington agreement and also the possibility of gaining further rights by collective bargaining or by action of the Interstate Commerce Commission.

When the bill came to the floor of this House an amendment to the consolidation section was offered by the gentleman from Iowa [Mr. HARRINGTON]. This amendment was offered at the suggestion of the Brotherhood of Railroad Trainmen, which had requested at the committee hearings the elimination of the entire consolidated section. At no time, either in the Senate or House hearings, had any such amendment as the Harrington amendment been offered or advocated by that or any other brotherhood. The most that the Brotherhood of Railroad Trainmen had ever suggested was that the whole section be removed. And yet, now that the conferees have done exactly what they had requested, they come before the House through their spokesmen and object to what we have done.

Nothing can more certainly and surely set forth their viewpoint and justify the statements that I have made than the testimony of Mr. Tom J. McGrath, general counsel of the Brotherhood of Railroad Trainmen, when he testified before the Senate committee during the hearings on S. 2009 in April 1939.

On page 390 of the hearings, Mr. McGrath testified:

Because of the fact that the consolidation law has not worked out as contemplated, attempts have been made by Congress intermittently to revise it. The subject has received intensive study by committee of Congress, but, as yet, except for the temporary effect that the passage of the Emergency Railroad Transportation Act had on it, no plan has been adopted which was thought to be superior to that now embodied in the Interstate Commerce Act.

Continuing, Mr. McGrath said:

The consolidation provisions of S. 2009 contemplate the abandonment of the underlying principles which actuated the adoption of the original provisions in 1920.

The Chairman asked Mr. McGrath:

Do you object to the repeal of that?

To this question, Mr. McGrath replied:

We do at this time.

The Chairman then asked, "Why?"

Mr. McGrath replied:

We believe that the entire transportation field should be thoroughly investigated and surveyed for the purpose of ascertaining the fields in which these several agencies can best serve the public. We think that after that is done and other remedial legislative steps are taken we may find it unwise to further facilitate the shrinking of the railroad plant.

At another point in his testimony Mr. McGrath further stated the same viewpoint when he said:

We contend, at least, that any steps that are now taken to encourage consolidations or mergers will be inadvisably taken until we know more about the entire transportation picture.

On page 394 of the Senate hearings Mr. McGrath again reiterates the viewpoint that the question of consolidations should be left as the law now is until a further study was made. He said:

We believe that it would be unwise of Congress to liberalize the present laws governing consolidations or to otherwise open the door further to permit a contraction of railroad transportation facilities.

Would it not be well, if we are to have an investigation of the transportation question to require the investigating body to consider the question of consolidations and mergers, with a view, first, to ascertaining the need for further consolidations in the interest of the public; and, second, to recommend the type of legislative regulation and control to which such consolidating railroads should be made amenable, if any such legislation is deemed necessary or desirable.

The whole question of railroad consolidations should again be reviewed in the light of present-day conditions.

And again, on page 395 of the Senate hearings, Mr. McGrath emphasized the same viewpoint when he said:

We are not urging that the law as it now stands represents the proper coverage for the question of consolidations, but we say that the new proposal does not either, and that there is no justification for a disturbance of the present law until other facts have been explored.

Throughout the entire testimony of Mr. McGrath he constantly made it plain that the Brotherhood of Railroad Trainmen, for whom he spoke, did not want any change at this time in the existing law concerning consolidations. Repeatedly he asserted this viewpoint, and pressing the point that S. 2009 should not contain any reference to consolidations, and that all such should be taken out of the bill, he said, as appears on page 396 of the hearings:

We very seriously assert that there should not be anything which will facilitate or encourage consolidations until an investigation that everybody agrees should be made has been completed.

And then this significant statement is made by Mr. McGrath; yes, important statement because it indicated that, with the exception of the consolidation features, he looked with favor upon what the bill attempted to do in behalf of the railroads. On page 397 of the hearings he said:

We had the view that if some of these other reforms presented by your committee were carried into effect then there would be no pressing demand for consolidations. Our whole thought is that we do not want anything in the law that will encourage consolidations.

The testimony of Mr. McGrath, as general counsel for the Brotherhood of Railroad Trainmen, leaves no doubt that it sought to have the consolidation feature of S. 2009 eliminated from the bill, and thereby permit the 1920 law to stand until a further study of the transportation problem had been made. And this viewpoint was further fortified by the opinion that the adoption of the other remedial provisions in the bill might improve the conditions of railroads to the point where it would be unnecessary to consider consolidations.

Now, what have the conferees done in answer to the viewpoint so ably and forcibly expressed by Mr. McGrath as spokesman of the Brotherhood of Railroad Trainmen? We have done exactly and completely what he advocated—namely, the elimination of all reference to consolidations, mergers, and so forth, from the bill. Furthermore, we left the law of 1920 stand in its entirety as he had recommended. And, in addition, we have provided for the appointment by the President of a board to study the entire transportation problem and report to the President and the Congress its findings and recommendations. Thus, in every particular the conferees have responded to the program suggested in the

interest of railroad labor by the Brotherhood of Railroad Trainmen. Having done so, it would seem there is nothing left for railroad labor to do than advocate the passage of the bill in order that the remedial provisions, including the regulation of water carriers, may have an opportunity to operate, with the hope, as expressed by Mr. McGrath, that the necessity for consolidations will thereby disappear.

As further evidence of the fact that the Railroad Trainmen were satisfied with the bill after the conferees had eliminated the consolidation provisions, I wish to read the telegram sent to Chairman LEA, of the House Committee on Interstate and Foreign Commerce, by Arthur J. Whitney, president of the Brotherhood of Railroad Trainmen, as follows:

CLEVELAND, OHIO, *April 29, 1940.*

Hon. CLARENCE F. LEA,
Member of Congress, House Office Building.

DEAR CONGRESSMAN: Please be advised that opposition Brotherhood Railroad Trainmen to Senate bill 2009 was based upon the consolidation section of the bill. Now that conferees have eliminated that section the source of our opposition is eliminated. However, we shall continue our earnest effort to obtain legal protection for labor in consolidation and abandonment situations.

Thus it will be seen that the conferees had been justified in the action they had taken in the elimination of the consolidation section from the bill.

During the consideration of the consolidation provisions of the bill, which included the Harrington amendment, we became aware that there was a varying viewpoint among railroad labor representatives as to the effectiveness as well as desirability of the amendment. Numerous and various viewpoints concerning it were presented to the conferees. There was some justification for the thought that these differing viewpoints were to some extent based upon a desire to claim authorship for any amendment written into the bill. It resulted in proposals of a different character than the Harrington amendment being presented to the conferees on behalf of railroad labor. The conferees sought earnestly and zealously to smooth out these different viewpoints. But we were unsuccessful. We then came back to the proposal that had been presented in the Senate hearings by Mr. McGrath, to which I have already made reference by extracts taken from his testimony. As the section on consolidations had been the origin of the fear that gave rise to the inclusion of the Harrington amendment, the conferees felt that the surest and safest way to remove the fear was to remove the cause, hence the elimination of the consolidation section. It furthermore seemed desirable to pursue this course because of the lack of unanimity among those speaking for labor as to the meaning and effectiveness of the Harrington amendment. The fact that the former proponents of the Harrington amendment have now abandoned it and now ask the House to adopt another and different kind in its place, as set forth in the proposed Wadsworth motion to recommit, certainly makes clear a lack of confidence in the former amendment and further justifies the action taken by the conferees in removing the whole controversial subject from the bill and leaving it for further study by the board which is to be set up to study the transportation problem. When this board makes known its findings and recommendations that will be a proper time to give it consideration.

When the conferees took the action that resulted in the consolidation section being removed from the bill we were given to understand that this met with the approval of most, if not all, the railroad brotherhoods. Our understanding in this respect was subsequently substantiated by the telegram from Mr. Whitney which I have already read, and also by the article appearing in the May issue of the Brotherhood of Locomotive Firemen and Enginemen's magazine, reading as follows:

CONFERENCE COMMITTEE REACHES AGREEMENT ON S. 2009

As we go to press with this issue of the magazine an agreement has been announced by the joint committee of the United States Senate and House which had had under consideration bill S. 2009, the measure that has for its purpose the placing of transportation facilities under an equitable form of regulation with respect to highway, waterway, and railway carriers.

With this last impediment to its enactment out of the way, it should be only a short time now until that greatly needed and most desirable legislation is placed upon the statute books.

It will be remembered that this measure was introduced in the Senate by Hon. BURTON K. WHEELER and in the House by Hon. CLARENCE F. LEA, in accordance with recommendations submitted by the Committee of Six President Roosevelt appointed for that purpose in September 1938. On that committee were some of the most able men in this country best qualified to make proposals for the rehabilitation of the transportation industry. Three of them were representatives of railroad management: M. W. Clement, president, Pennsylvania Railroad; E. E. Norris, president, Southern Railway; and Carl R. Gray, vice chairman, board of directors, Union Pacific Railroad. The other three were railway labor executives and included President Robertson, of our brotherhood; George M. Harrison, president, Brotherhood of Railway and Steamship Clerks; and B. M. Jewell, president, Railway Employees Department, A. F. of L.

So equitable, fair, and comprehensive was the plan they proposed that it met with the approval of labor and management alike in the railroad industry. Likewise, it was accepted without serious opposition by highway carriers.

As introduced this bill was designed to provide a fair field for all with special privileges for none. That is all railroad labor asks.

For some unaccountable and unexplained reason a few of the railroad brotherhoods, notwithstanding their previous declarations of satisfaction with the action of the conferees, with reference to the consolidation features of the bill, have now withdrawn their support from S. 2009 and seek to have the bill recommitted. I confess to you, after nearly 14 years of service in this House, this action by these national representatives of the brotherhoods to which I refer is the most unusual action of labor representatives that I have ever experienced. I have sought the reason. No one has yet explained.

The action is all the more strange and unexplainable in view of the fact that each of the brotherhoods, these representatives speak for, has at every annual convention in the last 10 or more years discussed and favored legislation that would bring water carriers under regulation. And, now, the bill which seeks to do this thing is being opposed by them. And, bear in mind, it is being opposed by them not because of what is in the bill, but because something that is totally foreign to water-carrier regulation, is not in the bill, namely, power and authority for railroads to consolidate. Thus, because the conferees eliminated the most fear-provoking provision in the bill, from the standpoint of railroad labor, we now find certain brotherhood representatives joining hands with water carriers to recommit the bill and thereby create the possibility of no legislation to regulate water carriers. My astonishment at this strange and unusual action cannot be adequately expressed in words.

More than 76 percent of railroad labor has repudiated the viewpoint of those who seek recommitment and are actively supporting the bill. Their approval had been evidenced by a strong statement in support of S. 2009 issued by the representatives of 15 railroad-labor organizations, including, American Train Dispatchers' Association; International Association of Machinists; International Brotherhood of Boilermarkers, Iron Ship Builders, and Helpers of America; International Brotherhood of Blacksmiths, Drop Forgers and Helpers; Sheet Metal Workers' International Association; International Brotherhood of Electrical Workers; Brotherhood of Railway Carmen of America; International Brotherhood of Firemen and Oilers; Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees; Brotherhood of Maintenance of Way Employees; Brotherhood of Railroad Signalmen of America; Order of Sleeping Car Conductors; Railway Employees' Department, American Federation of Labor.

The statement expressing the views of the nearly 850,000 railroad workers, holding membership in the above-mentioned railroad-labor organizations, reads as follows:

The conference report on transportation bill S. 2009 should be enacted into law at this session of the Congress. It proposes equality of treatment, regulation, and preservation of the inherent advantages of each mode of transportation.

We are opposed to referring the bill back to the conference committee. We urge enactment of the conference report at this session of Congress.

We speak for approximately 850,000 railroad, express, and Pullman employees, more than 75 percent of all railroad employees. Their interest will be improved by the enactment of the conference report. Unregulated, subsidized water- and motor-carrier transportation is taking a heavy toll of railroad employment and railroad business. It is estimated that 180,000 railroad jobs have

been lost because of present unfair, discriminatory transportation policies and lack of Federal regulation of these other modes of transportation.

The legislation proposed by the conference report does not in any manner change the law regarding consolidation of railroads.

Railroad employees already have the decision of the Supreme Court in the Rock Island consolidation case and the Washington job-protection agreement of May 1936, to protect railroad jobs in consolidations.

Railroad employment should be increased, not reduced, by enactment of this legislation.

Another statement in support of the bill as reported by the conferees that deserves more than usual attention was issued by George M. Harrison, president, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees. I consider Mr. Harrison one of the most outstanding labor leaders of this country. His ability, character, integrity, and honesty of purpose are so thoroughly established that whatever he says on the subject of railroad labor is entitled to the greatest weight. His statement urging enactment of S. 2009 as reported by the conferees reads as follows:

The transportation bill (S. 2009) should be enacted into law at this session of the Congress. It proposes equality of treatment and regulation of the several modes of transportation.

I am opposed to referring the bill back to the conference committee because this action will endanger enactment of the legislation at this session.

The interests of railroad and express employees, numbering 210,000, for whom I speak, will be improved by the enactment of this bill. Unregulated, subsidized water- and motor-carrier transportation is taking a heavy toll of railroad employment and business. It is estimated that 180,000 railroad jobs have been lost because of present unfair, discriminatory transportation policies and lack of Federal regulation of these other modes of transportation.

There is no danger to railroad employment in this proposed legislation, but, to the contrary, railroad employment should improve if the legislation is enacted.

Statements such as these, expressing favorable opinion of S. 2009 and urging its adoption, cannot and should not be ignored. To those Members of the House who are interested in the cause of railroad labor and who are opposing the enactment of this bill, let me remind you that railroad labor stands to lose more under present conditions because of unregulated water carriers than by consolidation of railroads. During the last 10 to 15 years we have seen railroad employment drop to a surprising degree. This has not been the result of consolidations or mergers. It has been due to the inroads on railroad traffic by other types of unregulated transportation—motor, water, and air carriers. Recently statutes have been enacted that bring motor and air carriers under Federal regulations. Certain classes of water carriers—coastal and intercoastal—have to a degree been brought under regulation. It is only fair that the portion now remaining unregulated—inland waterways—should also be brought under regulations, thus providing a complete and unified national system of transportation without favor to one mode of transportation above another but preserving to each the inherent advantages of each.

Before closing my remarks on the subject of the railroad employment I wish to bring to your attention and emphasize the fact that the conferees have done nothing in this bill that directly or indirectly will harm, disturb, or deal unjustly with railroad labor. We have left the law respecting consolidations and mergers exactly as it is under the present Interstate Commerce Act. And in this connection it is also important to note that the Washington agreement, negotiated and agreed to by the representatives of all the 21 railroad brotherhoods, is likewise still in effect. Furthermore, its principles have been recognized and adopted by the Interstate Commerce Commission and by it made a part of its consent order in the Rock Island and other cases, and the Supreme Court has sustained the Commission in so doing.

Rights of railroad labor in consolidations and mergers is now established by reason of their own collective-bargaining agreement. Thus the necessity for immediate consideration of the rights of railroad labor in case of consolidations or mergers does not exist, and can well be taken up when the study to be made by the Board appointed by the President has been completed and its recommendations presented to Congress. There is no justification for any Member of this House interested in railroad workers to vote against S. 2009. There are, however, substantial reasons why such a Member should give his whole-hearted and enthusiastic support to the bill.

I am fearful that if the motion to recommit is carried that it may mean no legislation at this session of Congress to regulate water carriers; and if that fails of enactment, railroad labor stands face to face with the possibility of still further inroads on railroad traffic by the unregulated water carriers. Unfortunately, that means loss of more railroad jobs. I shall vote against the motion to recommit, because I do not want to see any more railroad employees lose their jobs because of the unregulated water carriers. That is the important thing to be gained by the enactment of this bill. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEA. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, I am opposed to the motion to recommit. I feel that this bill is a good piece of legislation. It is a very complicated and technical measure which has received many weeks of careful consideration from the very able members of the conference committee. I have confidence in the members of that committee and believe that they have worked out the best possible bill which it is possible to secure at this time.

An attempt has been made in the course of this debate to create the impression that farmers are opposed to this legislation because it puts some classes of water carriers under regulation. I do not agree. Farmers generally are not interested in water transportation, because it is available to so few of them. Practically all of them must depend upon railways and highways for transportation. Anything which will help the railroads of this country to render better and more efficient service to farmers will help agriculture. I believe this bill will help the railroads of this country do that and that it will thereby be of assistance to agriculture.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. LEA. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, I opposed this bill when it was before the House last year, but on entirely different ground from that proposed by those who are in favor of recommitting the measure today. This bill seeks to change the policy of the United States Government, a policy which it has pursued for more than 100 years. That policy is to keep free from regulation water transportation facilities for our people. If this bill does not intend to regulate water rates, then why place water transportation under regulation? The sole objective of the bill is to place all water carriers, with minor exceptions, under the control and jurisdiction of the rate-making power of the Interstate Commerce Commission. Regulation means increase in the cost of water transportation, and, if not, then there is no necessity for this bill, so far as water transportation is concerned.

If the object of this bill is sound, then this Government has been wrong for more than a century. If the purpose of this bill is right, then the whole theory of this Government, namely, to furnish low-cost water transportation to the people, has been wrong these many years. If the purpose of this bill is right, then this Nation has been slow to discover a gross mistake. If the end sought by this legislation is sound, then the Army engineers have based their arguments for new river and harbor work on a false premise, the economic justification in the cost of transporting goods and commodities.

The policy of the Government has been to provide water transportation based on economy in order that the people might have low-cost water transportation. The Army engineers in appearing before the Committee on Rivers and Harbors always predicate their claim or justification for a

project not only on the ground of necessity but that it would be in the interest of the public to furnish low-cost transportation. If this bill passes, the Army engineers will have to find some other reason for coming before that committee to justify their projects.

Since the beginning of the Government, this Nation has invested about $2,300,000,000 in the improvement of our waterways. That investment on the part of this Government was predicated upon the same reason, namely, that the cost of the investment would be returned to the people in low-cost transportation. Pass this bill and place the matter under the Interstate Commerce Commission, and that investment will cease to draw dividends.

I seriously doubt whether this legislation will provide any material aid to the railroads. Fundamentally, I am opposed to extending the hand of the Federal Government further and further into the private affairs of our people. We have too much bureaucracy now. We have legislated and regulated business and industry until it is almost impossible for it to continue and expand. This legislation would simply add more chains to the commerce of the Nation. It would be wiser to remove some of the legislative burdens now imposed upon the railroads than to create new burdens on water transportation.

The bill attempts to exempt certain forms of transportation on the Great Lakes, particularly commodities transported in bulk. While the cargo may be exempted under certain conditions set forth in section 303 of the bill, there is a question whether or not the carriers are so exempted.

A summary and analysis of the pending legislation, the Wheeler-Lea transportation bill, being Senate bill 2009, has been made by a representative of the American Short Line Railroad Association. One statement in that analysis ought to challenge the attention of every Member interested in water transportation, and particularly those who desire to maintain low cost of transportation on the Great Lakes. I quote an excerpt from that analysis:

> The act subjects to I. C. C. regulation coastwise, inland, and Great Lakes common and contract carriers by water engaged in interstate or foreign commerce (except transportation by water by an express company subject to part I).

Surely this does not contemplate that commerce on the Great Lakes is entirely exempt from the rate-making power of the Interstate Commerce Commission. But grant that it does so exempt such commerce, this legislation is but the entering wedge, the placing of the foot in the door, or getting the camel's nose under the tent, and in the very near future the Middle West and the Great Lakes section of our country would soon have such exemptions swept away and the benefit which the Great Lakes States and the Middle West now enjoy through low-cost transportation would be gone.

Let us recommit this bill to the committee and let the Nation know that the benefit which it has enjoyed from the lowest cost method of transportation, namely, water transportation, is still preserved for the benefit of the people.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. LEA. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, I am opposed to this conference report. I have heard it referred to as a bill, but it is not a bill. A bill is an instrument which comes from a properly constituted committee of one or both Houses and is passed by both Houses after hearings, usually, and then returned in a conference report, reflecting the ideas of both Houses. This conference report is a discrimination bill rather than a transportation bill. It provides legalized discrimination.

I am opposed to it as a citizen, as a Member of Congress, and as a farmer. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, I am opposed to this bill and have opposed it from the beginning, first, because it is an attempted extension of bureaucracy which is destructive of the country's business, trade, and commerce; the creator of depression, with its bread lines, poverty, and unemployment; and as a result thereof it is destructive of democratic, constitutional, and representative government; and just another one of the creators, as it will be, of the day when we will go into a totalitarian dictatorship.

Secondly, I am opposed to this bill because it is detrimental to the best interests of the great Northwest area from which I come. I am opposed to it because the Interstate Commerce Commission has demonstrated during the years of its existence that it cannot fix and adjust rail rates in this country in the interest of the section from which I come, as is shown by the unjust discrimination which is now being practiced, as I pointed out in my remarks yesterday, which will be found on pages 5780 and 5781 of the RECORD.

Thirdly, I am opposed to this bill because it is not in the best interest of the railroads and railroad employees themselves. If adopted, its net result will be destruction, bankruptcy, and complete demoralization of the railroads still solvent, and will further create unemployment and loss of jobs among railroad labor. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a telegram from J. P. Barton, general chairman of the Order of Railway Conductors of Minnesota, and a letter and resolution from the Twin City Milk Producers' Association, expressing disapproval of this bill. Also a wire from the Minnesota State Federation of Labor.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

ST. PAUL, MINN., *May 9, 1940.*

JOHN G. ALEXANDER,
House of Representatives:

On behalf of the Minnesota State Federation of Labor and by action of its convention, we are requesting you to vote today in favor of recommitting to the committee the Wheeler-Lea bill.

GEO. W. LAWSON, *Secretary.*

TWIN CITY MILK PRODUCERS ASSOCIATION,
St. Paul, Minn., May 7, 1940.

Hon. JOHN G. ALEXANDER,
House Office Building, Washington, D. C.

DEAR MR. ALEXANDER: I am attaching a resolution signed by our executive committee relative to the Wheeler-Lea bill, S. 2009, which we believe thoroughly states our position concerning this legislation.

We feel that we do not have sufficient knowledge of the bill and feel that certain amendments in this bill revising present laws are most disadvantageous to the Midwestern States, and we therefore ask that full opportunity be afforded the manufacturers, shippers, and producers of Minnesota to study the bill and present their views to the proper committee of Congress so that any unfavorable results which might accrue as a result of this present legislation may be prevented.

Your cooperation in this matter will be greatly appreciated.

Very truly yours,

W. S. MOSCRIP.

(Resolution)

Congress has passed a bill known as the Wheeler-Lea bill, S. 2009, governing and regulating the railroads, motor-vehicle carriers, and water carriers in interstate and foreign commerce. The bill has been reported out of the conference committee of both Houses of Congress. A printed conference report covers 88 printed pages. The amendments to the existing laws proposed by the bill as revised in conference are drastic. They revise and alter, in many particulars, existing law and long-established practice. They affect some regions and districts of the country favorably, and others very unfavorably, particularly the Middle Central States. They extend the activities and control of the Interstate Commerce Commission to not only river traffic but also all traffic on the Great Lakes and interconnecting waterways.

Because of the disadvantageous position of industry, manufacturers, shippers, and agricultural producers in the State of Minnesota, and particularly the principal cities thereof, it is of the greatest importance that the effects and results of this legislation be thoroughly understood and appreciated before it is enacted into law. To that end we urge that the pending legislation be not enacted into law until full opportunity has been afforded to the shippers, manufacturers, and agricultural producers of this State to study the results and effects of the proposed legislation and present their criticisms and grievances to the Congress or the appropriate committee thereof, to the end that the unjust discrimination against such manufacturers, shippers, and agricultural producers of this State by any particular type of transportation covered by or resulting from said legislation be removed and prevented, and we particularly request that no provision of said legislation, whether con-

tained in the original bill or in the conference report or any subsequent amendment to either, be permitted which will continue or permit the unjust discrimination against the manufacturers, shippers, and agricultural producers of this State. We further request that full opportunity be afforded such manufacturers, shippers, and agricultural producers to present their views, criticisms, and objections on said proposed legislation, and that reasonable time be afforded for the presentation thereof.

EXECUTIVE COMMITTEE, TWIN CITY MILK PRODUCERS' ASSOCIATION,
W. S. MOSCRIP, *President.*
R. B. GOODHUE, *First Vice President.*
S. R. HOULTON, *Second Vice President.*
F. M. ROHE, *Secretary-Treasurer.*
A. T. FRANK, *Committeeman.*
H. R. LEONARD, *General Manager.*

MINNEAPOLIS, MINN., *May 8, 1940.*

JOHN G. ALEXANDER,
Congressman, Minnesota,
Congressional Office Building, Washington, D. C.:

Members of the Order of Railway Conductors on the Soo Line Railway urge you to recommit the measure generally referred to as the omnibus transportation bill, with instructions to reinsert the consolidation provisions with full protection for labor, and will appreciate your advocacy and support of motion to recommit.

J. P. BARTON,
General Chairman, Order of Railway Conductors.

Mr. LEA. Me Speaker, I yield 1 minute to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Speaker, I shall vote to recommit this measure. I feel there are many things wrong with it to justify our sending it back to the committee with instructions to insist upon amendments adopted in the House that have been left out.

It is difficult for me to understand how any nation or any people or any section, blessed with a great inland waterway system such as this country enjoys, could take action, as I believe this bill does, to cut out completely the rights that the public are entitled to in the enjoyment of that inland waterway system for the transportation of their commodities. [Applause.]

When the original bill came before the House, it was passed with several helpful amendments. Particularly do I refer to the so-called Wadsworth amendment, the Harrington amendment, and the Jones amendment. Had the subject matter of these amendments been substantially carried in the conference report, I should have been glad to support it. I am in agreement with those who believe that some legislation affecting the transportation systems of our country is needed. However, I am not willing to help one group of carriers at the sacrifice of another. To me, the presently proposed bill is clearly a measure for the benefit of the railroad management to the exclusion of other transportation systems and tends to create a monopoly without regard to the public interest.

In any transportation legislation, the public, first of all, should be protected. That was the purpose of the Wadsworth amendment adopted by the House. The same amendment was adopted by the Senate in substantially identical language as follows:

In order that the public at large may enjoy the benefit and economy afforded by each type of transportation, the Commission shall permit each type of carrier or carriers to reduce rates so long as such rates maintain a compensatory return to the carrier or carriers after taking into consideration overhead and all other elements entering into the cost to the carrier or carriers for the service rendered: *Provided,* That nothing in this paragraph shall be construed so as to affect the long-and-short-haul provision of section 4.

I cannot see any justification on the part of the conferees in omitting this amendment upon which both Houses of Congress had spoken. This was the only provision of the bill which would have protected the public in the enjoyment of low-cost transportation, while at the same time preventing destructive rate wars.

When this amendment was eliminated, the declaration of policy contained in section 1, including the Whittington amendment, became meaningless, because there was no provision insuring to the public the benefit of transportation at the lowest possible cost. In fact, nowhere in this bill is to be found this protection to the shippers and consumers upon whom must fall the transportation cost.

This Nation, and particularly the southeastern section, is blessed with a wonderful river system. It is a natural resource given to us, and one that we should develop. The retention of the Miller-Wadsworth amendment would have enabled us to continue to enjoy the cheap transportation made possible through this network of rivers.

We in the South, as well as the West, have been working diligently to remove discriminatory freight rates. The one great means at our command is the ever-present competitive waterway system. This proposed bill would take that system, regulate it along with the railroads, and on such a basis as to make impossible the reduction of rates to such level as simply to insure a compensatory return. It would remove the last club left in the hands of the people, who have suffered so long from discriminatory freight rates, in their effort to bring about relief.

Mr. Speaker, I shall not discuss this bill further except simply to say that I do believe the conferees should have worked out some plan to care for the ever-present nightmare of combinations and consolidations threatening the railroad workers with the loss of jobs. Some sensible plan, I believe, can be advanced. As between the measure passed by the Senate and the Harrington amendment in the House, some workable plan could have been provided. Because of the omission of the amendments discussed above and the Jones amendment seeking to give fair treatment to the shipment of agricultural commodities, I believe the conference bill is fatally defective and should be recommitted. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, the conferees on this bill have labored diligently for 3 months, as I understand it, and they have brought forth a report and bill which will work only for the benefit of railroad management. It will work to the disadvantage of the agricultural interests of the country. It will work to the disadvantage of the railroad worker and employee, and, above all, it will work to the disadvantage of the public and the consumer.

Certainly no harm can be done by recommitting this bill with the amendments already adopted by the House, and which the railroads will be glad to have at this time.

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, I yield 1 minute to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Speaker, I am one of the 423 Members of this body who do not possess the superhuman capacity to digest in a few days of tremendous congestion on this floor 140 pages of a bill and 88 pages of a report which the conferees have held for 12 long months. We are asked to accept this report from the conferees on the proposition that they have reconciled the differences between the House and the Senate. A brief reading indicates that they have reconciled the differences between the House and Senate by eliminating the passages upon which the House and Senate were agreed. [Laughter.]

This is a most extraordinary procedure. While the technicalities of conference permit so gross a violation of the considered conclusion of each House it is evident that the abuses of this procedure must lead to a modification ultimately of the rules under which the conferences proceed.

Under the circumstances I consequently feel that any Member of this body is warranted in refusing to sign not only a blank check, but 140 pages of blank checks and is fully warranted in voting to recommit this bill. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS of Texas. Mr. Speaker, I am going to vote to recommit this bill with the hope that it can and will be perfected. The welfare and prosperity of my district depends, to a large degree, upon continuous employment for the many thousands of railroad workers who live there and upon the

continued flow of agricultural products that are raised in the State of Texas, through the city of Houston.

So without the Harrington amendment to protect those thousands of railroad workers, and without the amendment of our distinguished colleague the gentleman from Texas [Mr. JONES], chairman of the Committee on Agriculture, I am going to vote to recommit. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Speaker, I yield to the gentleman from Arizona [Mr. MURDOCK] such time as he may desire.

Mr. MURDOCK of Arizona. Mr. Speaker, the gentleman having charge of the committee [Mr. LEA] has assured me that the long-and-short-haul clause formerly existing is safeguarded so that the interior parts of the country will thus be saved from likelihood of an unbearable increase of freight rates. That suggestion inclines me toward supporting this bill.

My State depends for its continued development upon two great transcontinental railroads and I feel that anything that is done for the good of the railroads is for the good of the country—certainly my part of the country. [Applause.]

Some of my friends in Arizona representing railroad brotherhoods have requested me to vote to recommit this bill, indicating that they would like to see railroad employees protected against the likelihood of consolidation. While I have a high regard for this very intelligent group of railroad employees, and always consider their interests, I do feel in this case they are asking almost the impossible. I believe that if we recommit this bill, it will kill it for this session. On the other hand, I believe that the enactment of this conferees report will react to the benefit of rail carriers generally in a way that will be beneficial to all railroad employees, as well as to railroad owners, railroad creditors, shippers, and business generally.

While I am in sympathy with some of the other amendments proposed, especially the Jones amendment, I am afraid he seeks too much in the cause of agriculture, and that if we recommit the bill we will not get that or anything else in this Congress. I do find that there is a provision in section 5, as found on pages 13 and 14 of the bill before us, favorable to the shippers of farm products, especially of the perishable variety, and likewise favorable to the producers of those products. Therefore, in consideration of the retaining of the long-and-short-haul clause, the advantage to farmers and shippers just mentioned, and the benefits likely to accrue under this bill to the railroads and all whom they serve, I should like to see this bill passed and shall accordingly vote against recommitting it.

Mr. LEA. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, it is very unfortunate that a measure of such importance as this one comes before us with no opportunity of debate except 2 hours. And most of this 2 hours has been taken up by men of great ability and men who know this subject thoroughly but not one of whom has been given more than 10 or 12 minutes. We should have had at least 4 or 5 hours to debate this very important matter.

For years I have been standing on the floor of this House condemning the system by which the rules of the House give so much power to a conference committee. I have no objection to this present conference committee because there is not a single one who is not a well-recognized, outstanding Member of Congress and well known and well recognized for his honesty and his fairness. But the system is wrong to permit five or six men from the Congress with an equal number from the Senate to make, or unmake, legislation that the House and the Senate have passed upon. To be specific, this important measure was before the Interstate and Foreign Commerce Committee for many weeks last year. It then came to the House and after learned and convincing debate covering many hours, the bill was passed. The bill contained the Wadsworth amendment. When it was in the Senate, the Senate inserted the Miller amendment, which was identical with the Wadsworth amendment. In other words, the Miller-Wadsworth amendment passed both the House and the Senate and was in the bill which this conference committee sat down to consider in conference. They bring back to us a report which is much more than a report. It is a brand new bill containing probably more than a hundred pages. According to my conception of things, it never was intended that a conference committee should write a brand new bill. They should have confined themselves purely to the matters in controversy.

Another observation which I wish to make is this: The most important portion of this measure when it passed the House and the Senate was that portion of the bill which sought to effect consolidation of certain portions of the railroads. I have for a long time been in favor of such a program. There is no one in this House who is more loyal to the magnificent railroads of our country than I am. I have supported them in every reasonable program that they have put forth because I know the service they have rendered to the people. When this bill was introduced, the purpose, as stated, was to provide a reorganization. Naturally with it would come some other collateral matters. In all legislative matters where something new or some big program is projected, it is only natural that it carry with it a number of smaller matters. That was the case with this measure. While the railroads for years have been advocating regulation of the rates of water carriers, it was not absolutely necessary for them to carry a regulation of rates of water carriers in a program which was primarily dedicated to consolidating the railroads.

I know that it is claimed that there is a strong analogy between controlling bus and truck rates and controlling water-carrier rates but still there is a very striking difference. In controlling busses, it is vital to control their number and their equipment and to provide that they must run on schedules and many other matters of regulation. The busses should have been regulated and in providing for their regulation it was natural that the regulation of rates should be taken into consideration. But this is not the case with the water carriers. Water transportation antedates railroads by thousands of years. And besides a very large percentage of the traffic going up and down the Ohio River, for instance, is not included within this bill. This bill omits the great steel companies who operate their own barges and the great coal companies who do the same and the contract carriers. It only includes the little fellow who serves the small merchants in the little towns that have no railroad connections and similar patrons.

Balancing it all up, I think that this bill should go back to the committee for further consideration. Let them give consideration to what the Congress has already done in the Miller-Wadsworth amendment and let them also give consideration in other directions where consideration should be given.

When this bill is recommitted and the matter is worked out, it will be for the best interests of all concerned. The railroads will be better off and the small water carriers will be protected. When this is done the measure will meet my most hearty support, because I have always been a friend to both of these lines of industry and endeavor and my record establishes that fact.

It is not necessary that the strong, powerful railroads should squeeze the life out of these little water carriers.

It is unfortunate that the workers on the railroads have been so divided in their sentiments. It is only a proof that the matter has not been studied out thoroughly, because when a matter like this is studied out thoroughly there is no reason why all of the employees of the railroad should not be together. They should not be divided one against another. And likewise, there is no reason why, when this is studied out, there should be any difference between railroad owners and railroad employees. They should not risk a misunderstanding among any branch of their great organization just for the small, insignificant percentage of traffic which is borne by these small, striving, water carriers. No harm will be done if the report is sent back to the committee, but if it is passed in its present form it will divide the railroad employees; it will array the railroad ownership against the employee and vice versa; it will prove disastrous to the small water carrier who has not

asked to have his rates increased and against whom not one single complaint has been made that his rates are too high. This is a case where the railroads are in effect demanding that the little river man be compelled to raise his rates when he does not want to do so. And it surely cannot be that the railroads are asking this simply to help the river man.

I hope, therefore, that we can unite the best interests of all these splendid groups in another bill which will be drawn to consider the whole subject. [Applause.]

Mr. LEA. Mr. Speaker, I yield the balance of my time to the gentleman from North Carolina [Mr. BULWINKLE].

The SPEAKER pro tempore. The gentleman from North Carolina is recognized for 11 minutes.

Mr. BULWINKLE. Mr. Speaker, in the few minutes remaining I cannot explain the bill, but I want to say to the gentleman from Ohio first, that if he would compare this conference report with the bill as it passed the House last July he would find not a great deal of difference, and nothing which seriously affected either motor carriers, water carriers, or railroads.

We are asked today to recommit this bill, but of the 12 or 13 Members who have spoken against the bill, all but 2 voted against it last July when the bill contained the Harrington amendment, the Wadsworth amendment, and the Jones amendment. This just goes to show that they would not change much if you took the whole thing out. I understand some say they would change.

As to the Jones amendment, I could give you page after page of freight rates affecting farm commodities in this country for export and domestic use, and you would find in each instance that the domestic rate was higher than the export rate. For instance, on cotton shipped from Jefferson, Tex., to New Orleans in 65,000-pound carload lots, the foreign rate is 31 cents, the domestic rate 41 cents, and so on throughout the whole list of agricultural commodity rates. The gentleman from Texas quoted a rate on wheat from Amarillo, Tex., to Galveston, Tex. That is purely an intrastate rate.

Mr. JONES of Texas. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. JONES of Texas. Does not the gentleman from North Carolina know that the Texas commission tried to correct that, but could not because it affected interstate rates?

Mr. BULWINKLE. But it was entirely an intrastate transaction.

Mr. JONES of Texas. The gentleman knows that things of that kind ought to be corrected.

Mr. BULWINKLE. If a commodity is shipped from Amarillo, Tex., to Galveston, Tex., it is purely an intrastate transaction.

Mr. JONES of Texas. May I say to the gentleman——

Mr. BULWINKLE. Mr. Speaker, I have not time to yield further. The gentleman had his time. The whole thing shows that it is not fair; it is not just. The next thing that comes up here is the so-called Harrington amendment. My colleagues the gentleman from North Carolina and the gentleman from Virginia both tell us of this awful monstrosity that is inflicted upon the Congress of the United States. Do these gentlemen charge that the Senator from Montana [Mr. WHEELER] would permit a monstrosity to be brought in here? That the Senator from Maine [Mr. WHITE] would do that? That the Senator from Kansas, the Senator from Ohio [Mr. DONAHEY], as well as the conferees on the House side, would do that? Ah, not so! That is but the childish argument of the man who has nothing else to say and cannot say it.

Who started this bill anyhow? Why, the President of the United States. On September 20, 1938, he appointed a committee consisting of three railway executives and three railway labor executives. The railway executives were Mr. Clement, Mr. Gray, and Mr. Norris. The railway labor executives were Mr. Robertson, from whom you received a telegram, Mr. Harrison, and Mr. Jewell. The House committee put in the House bill the identical words that were contained in the report of these six men, yet they say nothing was done for labor. You have all heard of this change made by Mr. Whitney. One day he wired to the Senator from Montana and the gentleman from California supporting the bill. The next day I saw a copy of a letter circulating around on the floor in which he was against it. Let me call your attention to the fact that 850,000 railway employees in the United States are backing this bill today.

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

Mr. BULWINKLE. I yield.

Mr. HINSHAW. Is it not a fact that the real effort is to kill this bill?

Mr. BULWINKLE. The gentleman from Texas [Mr. RAYBURN] has made the statement that he hopes the Congress will get away from here early in June. I do not see how any bill could come from the conference at all; I do not think it is possible. But I call your attention to the fact that today the gentleman from Michigan [Mr. DONDERO] said he was going to vote to recommit because there ought to be some changes made. Now, do you not know that when you recommit it for these three things that that is all you are going to recommit it for, and that that is what the conferees would have to consider? No new matter would be taken up in conference.

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

Mr. BULWINKLE. I yield.

Mr. WADSWORTH. That would not kill the bill, would it?

Mr. BULWINKLE. Oh, no; but I am saying that you can do practically nothing at all in the way of doing the things these other gentlemen are talking about.

Mr. WOLVERTON of New Jersey. Will the gentleman make clear that the motion to recommit which it has been suggested will be made by the gentleman from New York [Mr. WADSWORTH] does not contain the Harrington amendment?

Mr. BULWINKLE. I did not know that. I thought it would contain the Harrington amendment.

Mr. WOLVERTON of New Jersey. It is an entirely different amendment. It seems as if the Harrington amendment proponents have made an additional suggestion.

Mr. BULWINKLE. Now we have a new Harrington amendment today. What was wrong with the original?

Mr. PATRICK. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Alabama.

Mr. PATRICK. May I ask the gentleman if this conference committee, this very capable committee, did not work from January 28 to April 26, 3 hard months on this measure?

Mr. BULWINKLE. Not quite that long. They worked from February 1.

Mr. Speaker, in order to obtain a national transportation policy, in order to be fair and just to all forms of transportation, why not put all forms under regulation? Would you be willing to take the railroads out from under regulations? Why then should one form of transportation be exempt from regulation, especially since the Government has spent billions on harbor and river improvements? Furthermore, let me call attention to the fact that the conferees provided, on account of the Senate amendment, a board of investigation which will examine closely into all transportation matters and report to the Congress within the next 2 or 4 years. Having worked on this bill, having been associated with these men in the Senate and the men in the House, I say that this is a good bill, it is splendid, one which will help the transportation of the entire country and which will be beneficial to all concerned.

Mr. RAYBURN. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Texas.

Mr. RAYBURN. It does appear to me that if this bill is recommitted there will be no legislation upon this subject during the current year and these amendments that various gentlemen are talking about will never come back, and if the bill is recommitted they will die with it. It is my opinion that there is so much good in this bill, so much that is necessary to have a coordinated, workable transportation system, that we are taking upon ourselves a great responsibility by casting a vote which will kill all railroad legislation at this session of the Congress. [Applause.]

Mr. BULWINKLE. I thank the gentleman for his remarks. May I ask those Members who have not read the bill to do so. May I say that some of the Members who have spoken today know nothing in the world about it. They have not read the bill, and they know very little about it. I would hate to say on the floor of the House, on account of it being considered unparliamentary, what I think of their knowledge of the bill.

Mr. BREWSTER. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Maine.

Mr. BREWSTER. As one of those who spoke in opposition, will the gentleman explain to this body why the conferees eliminated the Miller-Wadsworth amendment upon which the House and Senate were in full agreement, before the gentleman impugns the intelligence of the House?

Mr. BULWINKLE. Is that all the gentleman knows about the bill?

Mr. BREWSTER. I want the gentleman to answer that question. Is he ready to answer it?

Mr. BULWINKLE. Yes; but I am going to ask this question: Is that all you know about it?

Mr. BREWSTER. I cannot in one day or one week digest the work of your committee during the 12 months you have had this to consider, and I do not think the gentleman can expect anybody to do that.

Mr. BULWINKLE. The bill has been printed for 2 weeks. The gentleman could have obtained a copy of it any time he wanted to if he had desired to read the bill.

Mr. MAY. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Kentucky.

Mr. MAY. In view of the statement made by the gentleman from Maine, is it not possible that a committee that has been studying this whole problem for 2 or 3 years, then spent 6 months working on a conference report, would be more likely to work that problem out than some of the rest of us?

Mr. BREWSTER. Will the gentleman answer my question?

Mr. BULWINKLE. I will answer it right now, but the gentleman from Maine cannot make me answer it like he wants it answered.

Mr. BREWSTER. I think the gentleman is right, because he cannot answer it.

Mr. BULWINKLE. I can answer it. I tell you it is absolutely unworkable, and if the gentleman would study the bill he would know that.

Mr. COLE of Maryland. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Maryland.

Mr. COLE of Maryland. The gentleman might tell the Members of the House that the distinguished Senator from the State of Maine cheerfully signed this report.

Mr. BREWSTER. Will the gentleman yield?

Mr. BULWINKLE. I am not yielding to the gentleman any further.

Mr. BREWSTER. I raise a question of personal privilege.

Mr. BULWINKLE. I do not yield to the gentleman.

Mr. BREWSTER. He very reluctantly signed it. He was the last one who signed it.

Mr. BULWINKLE. He may have been the last one, but he signed it.

The SPEAKER. The gentleman declines to yield further to the gentleman from Maine.

Mr. BULWINKLE. Mr. Speaker, quite a number of gentlemen who represent Western States in Congress came in and asked that the law as to through routes be amended. We amended it to suit them.

[Here the gavel fell.]

The SPEAKER. The question is on agreeing to the conference report.

Mr. WADSWORTH. Mr. Speaker, I offer a motion to recommit, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. WADSWORTH moves that the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes, together with the House amendment thereto, and the conference report thereon, be recommitted to the committee of conference, with the following instructions to the managers on the part of the House:

1. That the managers on the part of the House insist on the inclusion in the report of the committee of conference the provision adopted by the House, known as the Jones amendment, which reads as follows:

"It is hereby declared to be the policy of Congress that shippers of wheat, cotton, and all other farm commodities for export should have substantially the same advantage of reduced rates, as compared to shippers of such commodities not for export, that are in effect in the case of shipment of industrial products for export as compared with shipment of industrial products not for export, and the Interstate Commerce Commission is hereby directed to institute such investigations, to conduct such hearings, and to issue orders making such revisions of rates as may be necessary for the purpose of carrying out such policy."

2. That the managers on the part of the House insist on the inclusion in the report of the committee of conference the provision adopted by the House, known as the Wadsworth amendment, which reads as follows:

"In order that the public at large may enjoy the benefit and economy afforded by each type of transportation, the Commission shall permit each type of carrier or carriers to reduce rates so long as such rates maintain a compensatory return to the carrier or carriers after taking into consideration overhead and all other elements entering into the cost to the carrier or carriers for the service rendered."

3. That the managers on the part of the House insist on the inclusion in the report of the committee of conference the provisions adopted by the House relating to combinations and consolidations of carriers (secs. 8 and 22 of the House amendment) but modified so that the sentence in section 8 which contains the provision known as the Harrington amendment, read as follows:

"(f) As a prerequisite to its approval of any consolidation, merger, purchase, lease, operating contract, or acquisition of control, or any contract, agreement, or combination mentioned in this section, in respect to carriers by railroad subject to the provisions of part 1, and as a prerequisite to its approval of the substitution and use of another means of transportation for rail transportation proposed to be abandoned, the Commission shall require a fair and equitable arrangement to protect the interests of the railroad employees affected. In its order, or certificate, granting approval or authorization of any transaction referred to in this paragraph, the Commission shall include terms and conditions providing that such transaction will not result in employees of said carrier or carriers being in a worse position with respect to their employment.

"Notwithstanding any other provision of this act, an agreement pertaining to the protection of the interests of said employees may hereafter be entered into by any carrier or carriers by railroad and the duly authorized representative or representatives of its or their employees."

Mr. LEA. Mr. Speaker, on that motion I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion of the gentleman from New York [Mr. WADSWORTH].

Mr. LEA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 209, nays 182, answered "present" 1, not voting 38, as follows:

[Roll No. 102]

YEAS—209

Alexander	Cartwright	Eberharter	Hill
Allen, Ill.	Case, S. Dak.	Edelstein	Hobbs
Allen, La.	Celler	Edmiston	Hook
Allen, Pa.	Chiperfield	Ellis	Horton
Andersen, H. Carl	Cluett	Elston	Hull
Anderson, Mo.	Coffee, Nebr.	Engel	Hunter
Andresen, A. H.	Coffee, Wash.	Englebright	Izac
Andrews	Cole, N. Y.	Evans	Jacobsen
Angell	Collins	Faddis	Jarman
Arends	Colmer	Fay	Jenkins, Ohio
Arnold	Cooper	Fernandez	Johns
Barnes	Cravens	Flaherty	Johnson, Ill.
Bates, Ky.	Crosser	Flannery	Johnson, Luther A.
Beam	Crowe	Ford, Miss.	Johnson, Lyndon
Beckworth	Crowther	Ford, Thomas F.	Johnson, Okla.
Bell	Culkin	Fulmer	Johnson, W. Va.
Bland	Cullen	Gathings	Jones, Tex.
Bloom	D'Alesandro	Gavagan	Kee
Boykin	Davis	Gehrmann	Kefauver
Bradley, Mich.	Delaney	Geyer, Calif.	Keller
Bradley, Pa.	Dempsey	Gossett	Kennedy, Michael
Brewster	DeRouen	Griffith	Keogh
Brooks	Dickstein	Guyer, Kans.	Kerr
Brown, Ga.	Dies	Harrington	Kilburn
Buckler, Minn.	Dingell	Hart	Kilday
Burdick	Dirksen	Harter, N. Y.	Kirwan
Byrne, N. Y.	Disney	Harter, Ohio	Kitchens
Byron	Dondero	Havenner	Kleberg
Caldwell	Doxey	Healey	Lanham
Cannon, Fla.	Duncan	Hennings	Larrabee
Cannon, Mo.	Dworshak	Hess	Leavy

Lemke	Murdock, Utah	Richards	Sumners, Tex.
Ludlow	Murray	Robinson, Utah	Sutphin
Lynch	Nelson	Romjue	Sweet
McArdle	Nichols	Sandager	Tarver
McCormack	Norrell	Sasscer	Terry
McGehee	O'Connor	Schwert	Thomas, Tex.
McKeough	O'Day	Scrugham	Vincent, Ky.
McLaughlin	O'Leary	Seger	Voorhis, Calif.
McMillan, Clara	Oliver	Shanley	Wadsworth
Magnuson	O'Toole	Shannon	Waligren
Mahon	Pace	Sheppard	Ward
Maloney	Parsons	Short	Warren
Mansfield	Patton	Smith, Ill.	Welch
Marcantonio	Peterson, Fla.	Smith, Wash.	West
Mason	Peterson, Ga.	Snyder	White, Idaho
Massingale	Pfeifer	Somers, N. Y.	Whittington
Mills, Ark.	Pierce	South	Williams, Mo.
Mills, La.	Pittenger	Sparkman	Wood
Monroney	Poage	Starnes, Ala.	Zimmerman
Moser	Rabaut	Stefan	
Mott	Rankin	Sullivan	
Mouton	Reed, Ill.	Sumner, Ill.	

NAYS—182

Anderson, Calif.	Fish	Lea	Rutherford
Austin	Flannagan	LeCompte	Ryan
Ball	Ford, Leland M.	Lesinski	Sabath
Barry	Gamble	Lewis, Colo.	Sacks
Barton, N. Y.	Garrett	Lewis, Ohio	Satterfield
Bates, Mass.	Gartner	Luce	Schaefer, Ill.
Bender	Gearhart	McAndrews	Schafer, Wis.
Blackney	Gerlach	McDowell	Schiffler
Boland	Gibbs	McGranery	Schuetz
Bolles	Gifford	McGregor	Seccombe
Bolton	Gillie	McLean	Secrest
Brown, Ohio	Goodwin	McLeod	Sheridan
Bryson	Gore	McMillan, John L.	Simpson
Buck	Graham	Maciejewski	Smith, Conn.
Buckley, N. Y.	Grant, Ala.	Marshall	Smith, Ohio
Bulwinkle	Grant, Ind.	Martin, Ill.	Smith, Va.
Burch	Gregory	Martin, Iowa	Spence
Burgin	Gross	Martin, Mass.	Springer
Byrns, Tenn.	Gwynne	May	Stearns, N. H.
Camp	Hall, Edwin A.	Michener	Taber
Carlson	Hall, Leonard W.	Miller	Talle
Carter	Halleck	Monkiewicz	Taylor
Chapman	Hancock	Mundt	Thill
Church	Hartley	Murdock, Ariz.	Thomason
Clark	Hawks	Myers	Thorkelson
Clason	Hinshaw	O'Brien	Tibbott
Clevenger	Hoffman	O'Neal	Tinkham
Cochran	Holmes	Patman	Tolan
Cole, Md.	Hope	Patrick	Treadway
Connery	Houston	Pearson	Van Zandt
Corbett	Jarrett	Plumley	Vinson, Ga.
Costello	Jeffries	Polk	Vorys, Ohio
Courtney	Jenks, N. H.	Powers	Vreeland
Cox	Jensen	Ramspeck	Walter
Crawford	Jones, Ohio	Rayburn	Wheat
Creal	Jonkman	Reece, Tenn.	Wigglesworth
Cummings	Kean	Reed, N. Y.	Williams, Del.
Curtis	Keefe	Rees, Kans.	Winter
Ditter	Kelly	Rich	Wolcott
Doughton	Kennedy, Martin	Risk	Wolfenden, Pa.
Douglas	Kinzer	Robertson	Wolverton, N. J.
Drewry	Knutson	Robsion, Ky.	Woodruff, Mich.
Eaton	Kocialkowski	Rockefeller	Woodrum, Va.
Elliott	Kramer	Rodgers, Pa.	Youngdahl
Fenton	Kunkel	Rogers, Mass.	
Ferguson	Lambertson	Routzohn	

ANSWERED "PRESENT"—1

Boren

NOT VOTING—38

Barden, N. C.	Folger	Landis	Smith, W. Va.
Boehne	Fries	Maas	Steagall
Casey, Mass.	Gilchrist	Merritt	Sweeney
Claypool	Green	Mitchell	Tenerowicz
Cooley	Hare	Norton	Thomas, N. J.
Darden, Va.	Harness	Osmers	Weaver
Darrow	Hendricks	Randolph	Whelchel
Dunn	Jennings	Rogers, Okla.	White, Ohio
Durham	Johnson, Ind.	Schulte	
Fitzpatrick	Kennedy, Md.	Shafer, Mich.	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Barden of North Carolina (for) with Mr. Boren (against).
Mr. Fries (for) with Mr. Folger (against).
Mr. Tenerowicz (for) with Mr. Gilchrist (against).
Mr. Sweeney (for) with Mr. Jennings (against).
Mr. Maas (for) with Mr. Boehne (against).
Mr. Schulte (for) with Mr. Cooley (against).
Mr. Weaver (for) with Mr. Osmer (against).
Mr. Merritt (for) with Mr. Durham (against).
Mr. Dunn (for) with Mr. Thomas of New Jersey (against).
Mrs. Norton (for) with Mr. Claypool (against).
Mr. Casey of Massachusetts (for) with Mr. Hendricks (against).

General pairs:

Mr. Darden of Virginia with Mr. White of Ohio.
Mr. Hare with Mr. Darrow.
Mr. Steagall with Mr. Harness.
Mr. Green with Mr. Landis.
Mr. Fitzpatrick with Mr. Shafer of Michigan.
Mr. Smith of West Virginia with Mr. Johnson of Indiana.
Mr. Kennedy of Maryland with Mr. Mitchell.
Mr. Whelchel with Mr. Rogers of Oklahoma.

Mr. BOREN. Mr. Speaker, late last evening my colleague the gentleman from North Carolina, Mr. BARDEN, found it necessary to return to his district on important business. I have an active paid with him. I voted "nay." I desire to withdraw my vote and vote "present."

Mr. BEAM. Mr. Speaker, my colleague the gentleman from Illinois, Mr. FRIES, is unavoidably detained owing to a death in his family. If he were here, he would vote "yea."

The result of the vote was announced as above recorded.

On motion of Mr. WARREN, a motion to reconsider was laid on the table.

AGRICULTURAL APPROPRIATION BILL, 1941—CONFERENCE REPORT

The SPEAKER. The unfinished business is the conference report on the agricultural appropriation bill.

The Clerk will report the next amendment in disagreement, Senate amendment No. 99.

The Clerk read as follows:

Amendment No. 99: Page 84, after line 19, insert the following:

"PARITY PAYMENTS

"To enable the Secretary of Agriculture to make parity payments to producers of wheat, cotton, corn (in the commercial corn-producing area), rice, and tobacco pursuant to the provisions of section 303 of the Agricultural Adjustment Act of 1938, $212,000,000: *Provided, however,* That in expending the appropriation in this paragraph the rate of payment with respect to any commodity shall not exceed the amount by which the average farm price of the commodity is less than 75 percent of the parity price: *Provided further,* That such payments with respect to any such commodity shall be made with respect to a farm only in the event that the acreage planted to the commodity for harvest on the farm in 1940 is not in excess of the farm acreage allotment established for the commodity under the agricultural conservation program."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the Senate amendment and agree to the same with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede from its disagreement to the amendment of the Senate numbered 99 and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

"PARITY PAYMENTS

"To enable the Secretary of Agriculture to make parity payments to producers of wheat, cotton, corn (in the commercial corn-producing area), rice, and tobacco pursuant to the provisions of section 303 of the Agricultural Adjustment Act of 1938, $212,000,000; *Provided,* That such payments with respect to any such commodity shall be made with respect to a farm only in the event that the acreage planted to the commodity for harvest on the farm in 1941 is not in excess of the farm acreage allotment established for the commodity under the agricultural conservation program."

Mr. TARVER. Mr. Speaker, I offer a preferential motion, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. TARVER moves that the House recede from its disagreement to Senate amendment No. 99 and concur therein.

Mr. CANNON of Missouri. Mr. Speaker, I ask for a division on the motion to recede and concur, and on that I ask for a vote. If the motion to recede is agreed to, I shall offer an amendment.

The SPEAKER. The question is, Shall the House recede from its disagreement to the Senate amendment?

Mr. DIRKSEN. Mr. Speaker, may I inquire of the chairman whether or not it is proposed to have some discussion on this matter?

Mr. CANNON of Missouri. Yes; we will have discussion on concurrence in the amendment.

Mr. TABER. We should have discussion on this first motion.

Mr. CANNON of Missouri. Then, Mr. Speaker, I ask to be recognized on the motion.

Before we begin debate, Mr. Speaker, I ask unanimous consent that all Members speaking on the conference report and

the Senate amendments have 5 legislative days in which to extend their own remarks in the RECORD.

Mr. RANKIN. Reserving the right to object, Mr. Speaker, will the gentleman kindly broaden his request to include all Members?

Mr. CANNON of Missouri. Mr. Speaker, I accept the amendment of the gentleman from Mississippi.

The SPEAKER. Is there objection to the request of the gentleman from Missouri as modified?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, there is a general misconception in some quarters as to what farm parity is. We can perhaps best arrive at a definition of the term by one or two examples.

Before the World War, in the years selected as a base period, cotton brought 12.4 cents a pound. At the same time a harrow used in cultivating that cotton could be bought for $10.06. Today cotton has gone down and is now selling, according to the latest reports from the Department of Agriculture, at 9.97 cents a pound, while the harrow is today selling at $19.75. In other words, cotton has gone down and the agricultural implements that produce cotton have gone up. If cotton had kept pace with the price of industrial commodities, if the price of cotton had gone up with the price of the tools used to produce it, cotton would today be selling at 23 cents per pound; or, if you want to take it the other way around, if you want to bring the price of the implement down with the price of cotton—and they should go up together and come down together, because out of the cotton you grow you must pay for the implements with which the cotton is produced—if the price of agricultural implements had come down with the price of the cotton you could today buy a $19.75 harrow for $8.50.

Let us take the price of hogs. Before the war hogs sold for $7.22 a hundred, and the freight rate charged by the railroads to ship that hog to market was 12 cents per hundredweight, or $123 per car. Today, that same hog is selling for $4.97 a hundred, but freight rates have gone up to 17½ cents per hundredweight, or $142 per car. As the price of the hog went down, the cost of shipping him to the consumer went up. Now, what would have been the effect, if, as the cost of shipping the hog to market went up, the price of the hog went up with it, because we must pay the freight bill out of what we get for the hog, and you know the farmer pays the freight both ways. The farmer pays the freight on everything he ships to market, and he pays the freight on everything the market ships to him. They get him going and coming. If hogs had gone up as the rate for shipping those hogs to market went up, hogs would be selling today at $11 a hundred, or, taking the reverse, if you bring freight rates down as the hog comes down, freight rates today, intsead of being 17½ cents per hundredweight, would be 8 cents per hundredweight.

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

Mr. CANNON of Missouri. I yield to my friend the gentleman from Mississippi.

Mr. RANKIN. As I understand it, the period the gentleman refers to is from 1909 to 1913, during the Taft administration.

Mr. CANNON of Missouri. That is taken as the base period.

Mr. RANKIN. When even then the spread between manufactured articles and transportation rates and agricultural commodities was so great that the farmers of the country revolted and turned the party in power out with only two States supporting it—Vermont and Utah.

Mr. CANNON of Missouri. The gentleman anticipates what I was about to say. The gentleman is always far ahead of the times. [Laughter and applause.] Our problem is to keep up with him. I will come to that presently.

Now, let us take farm prices generally. From the close of the war, down to the present time, farm prices have dropped about 66⅔ percent. Whereas the farmer got $1 for his products at the close of the war, he today gets from 30 cents to 35 cents for the same article. On the other hand, by exactly the contrary process, the wages of labor have advanced, and whereas a man was getting $5 in the trades or in the factory at the close of the war, he is today, in round figures, getting $15 a day. Here are the figures as compiled by the Bureau of Labor Statistics:

Weekly earnings in building and construction, and of factory workers, 1913, 1919, and 1939

Occupation	1913 (May 15)			1919 (May 15)				1939 (June 1)			
	Wages per hour	Hours worked per week	Earnings per week	Wages per hour	Hours worked per week	Earnings per week	Estimated parity earnings	Wages per hour	Hours worked per week	Earnings per week	Estimated parity earnings
Plumbers	0.578	45.2	26.13	0.769	44.2	33.99	44.71	1.526	37.9	57.84	37.24
Electricians	.518	45.4	23.52	.755	43.7	32.99	40.24	1.532	37.6	57.60	33.52
Stonemasons	.567	44.9	25.46	.764	44.5	34.00	43.56	1.544	38.8	59.91	36.28
Steam fitters	.556	44.6	24.80	.753	43.4	32.68	42.43	1.589	37.8	60.06	35.34
Carpenters	.516	44.7	23.07	.759	43.8	33.24	39.47	1.401	38.7	54.22	32.87
Painters	.485	45.8	22.21	.732	45.1	33.01	38.00	1.365	36.4	49.69	31.65
Bricklayers	.690	44.1	30.43	.883	43.6	38.50	52.07	1.662	38.4	63.82	43.36
Factory workers	-----	-----	12.21	-----	-----	24.00	20.60	-----	-----	24.34	17.14

In the last column is the wage the workman would earn if he received parity, and in the middle column is the wage we are actually paying him. Agriculture is getting less than 25 percent under parity and labor is getting more than 50 percent over parity.

In other words, farm prices have been divided by three and wage scales have been multiplied by three.

Now, the farmer does not object to wages going up. The farmer believes in high wages. He believes the laborer is worthy of his hire. But he does ask that as wages go up the price of the pork chop and the biscuit which the farmer supplies go up with the prices which he must pay for the products of labor. In other words, he asks parity.

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

Mr. CANNON of Missouri. I yield to the gentleman from Missouri, a member of the Committee on Agriculture.

Mr. ZIMMERMAN. Will my distinguished colleague from Missouri give us the relationship between the price the farmer is receiving now for his farm commodities compared with what he has to pay for what he has to buy in the way of farm implements, and so forth?

Mr. CANNON of Missouri. I will be glad to do that. It is very much in point right here. Taking wheat, for example, since the gentleman from Mississippi asks about wheat. The price of wheat at the close of the war was $2.40 a bushel. If wheat had gone up as wages went up, wheat would today be selling at $7.20 a bushel, or, if wages had gone down as wheat has gone down, the average wage in the building trades—plumbing, bricklaying, painting, and so forth—instead of being $15 a day would be $1.75 a day.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. With pleasure.

Mr. AUGUST H. ANDRESEN. Yesterday I propounded a question to the gentleman about parity payments, which he preferred to answer today. The question was in respect to the division of this $212,000,000 in view of the fact that the price of corn and wheat are above 75 percent of parity and cotton is below 75 percent of parity. How then will this $212,000,000 be divided between the various basic crops under the triple A?

Mr. CANNON of Missouri. I think the gentleman again anticipates me as that comes under the second section of this motion, which deals directly with the subject. The motion now pending is a motion to concur.

Mr. AUGUST H. ANDRESEN. I think it is important that we have those figures.

Mr. CANNON of Missouri. When we dispose of the motion to concur I shall then offer an amendment which will raise the issue to which the gentleman refers.

Mr. AUGUST H. ANDRESEN. I think it would be well to have an understanding of how the division is to be made before we vote on the first question.

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

Mr. AUGUST H. ANDRESEN. I hope the gentleman will permit the gentleman from Missouri to answer that question, which means a great deal to us on this side.

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

Mr. AUGUST H. ANDRESEN. Oh, let him answer the other first.

Mr. RANKIN. He can answer both at once. As I understand it this does not apply until 1941, and while wheat may be three-quarters of parity now, we have no assurance that it will be by the time this fund is to be applied.

Mr. AUGUST H. ANDRESEN. I am aware of that fact, but basing it on the fact that the price may be over 75 percent of parity, I would like to know what the gentleman has in mind.

Mr. CANNON of Missouri. The money provided for parity payments for the year 1939, the only year on which we now have definite data, was divided as follows: Wheat received $53,000,000, cotton received $95,000,000, corn $61,000,000, and rice $1,000,000. Of course, those are round figures.

Mr. AUGUST H. ANDRESEN. And those would be the payments made on the crop this year.

Mr. CANNON of Missouri. These are on the 1939 crop, and are reported as of January 10, 1940. The 1940 crop has not yet been harvested.

Mr. AUGUST H. ANDRESEN. Does the gentleman have figures to show how the appropriation that we made for 1940 will be divided?

Mr. CANNON of Missouri. Naturally we are limited to estimates. While we can predict with some certainty what will happen during the year, we cannot, of course, give positive figures at this time. The price of all these commodities is expected to go up, due to war conditions. However, it is quite possible that the price of some of them may fall. The likelihood now is, according to the most accurate estimates we can make, that wheat, corn, and tobacco will be above 75 percent of parity. Cotton and rice will probably be below 75 percent of parity for this year at least.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. We will assume that the prices on cotton, corn, wheat, and tobacco go above 75 percent of parity for this year's crop. Will any of the money that we appropriated last year for parity payments be paid out as benefit payments this year?

Mr. CANNON of Missouri. The money appropriated year before last is now being paid out, and the money which was appropriated last year will be expended on the current crops.

Mr. AUGUST H. ANDRESEN. It will only be paid out on that part where the price has not reached 75 percent of parity?

Mr. CANNON of Missouri. The gentleman is correct. It will be paid on such crops as have not reached 75 percent of parity.

Mr. AUGUST H. ANDRESEN. Then if any of those commodities go above 75 percent of parity, nothing will be paid out of the appropriation made last year?

Mr. CANNON of Missouri. That is correct.

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

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Inasmuch as the gentleman has asked for a division of this question, will there be 30 minutes debate on the motion to concur and 30 minutes debate on the motion to concur with an amendment?

Mr. CANNON of Missouri. That is a parliamentary inquiry which I suggest the gentleman address to the Chair.

Mr. WHITTINGTON. Well, I beg the gentleman's pardon. There is only 1 hour of debate allowed, and control of that hour is within the discretion of the gentleman whom I am addressing. That is the reason I addressed my inquiry to him.

Mr. CANNON of Missouri. I suggest that the question be addressed to the Chair.

Mr. WHITTINGTON. Will the gentleman yield for such purpose?

Mr. CANNON of Missouri. I yield.

Mr. WHITTINGTON. Mr. Speaker, as I understand, there is 1 hour debate allowed on the motion to recede and concur. Request has been made for a division. My inquiry is this: Will there be 1 hour of debate on each motion?

The SPEAKER. The gentleman from Missouri [Mr. CANNON] controls the time. If one is demanded on the motion to recede, that hour is granted. Then an hour will be granted on the motion to concur.

Mr. WHITTINGTON. That satisfies my inquiry.

Mr. AUGUST H. ANDRESEN. There is only one more point, and that is this: Assuming that wheat, tobacco, and corn are above 75 percent of parity, and cotton is below 75 percent of parity, would the money appropriated for this year's crop all be used to make up 75 percent of parity on the cotton crop?

Mr. CANNON of Missouri. The money appropriated for the purpose will be spent on those crops which have not attained 75 percent of parity.

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

Mr. CANNON of Missouri. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. Parity payments are made under authority of section 303. Is there anything in the authorizing legislation providing parity payments that says anything about 75 percent? It says that the money shall be devoted, as I understand it, to approaching parity as far as the money will go, and the 75-percent provision was written in by the Senate in an appropriation bill.

Mr. CANNON of Missouri. The law provides for parity. Of course, that means 100 percent. The 75-percent provision written in the last bill, in the nature of a compromise, is purely artificial. It might have been 35 percent, or 20 percent, or 80 percent, or 99 percent, but under the bill as enacted, it is 75 percent for the current year. We are now legislating for the year 1941, and not for the year 1940.

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

Mr. CANNON of Missouri. I yield.

Mr. RANKIN. In line with the inquiry of the gentleman from Minnesota, if cotton should take a rise and go above parity, and wheat, corn, and tobacco were to sink below parity, then this money would go to wheat, corn, and tobacco, would it not?

Mr. CANNON of Missouri. The gentleman is correct.

Mr. AUGUST H. ANDRESEN. The whole amount, or would it be subdivided in certain proportions?

Mr. RANKIN. No. I understand the whole amount.

Mr. AUGUST H. ANDRESEN. Is that correct, that if wheat would be below 75 percent of parity and cotton would be above, that the whole $212,000,000 would go to wheat?

Mr. CANNON of Missouri. If all commodities except wheat were above 75 percent of parity, all of the $212,000,000 would be spent on wheat until it reached 75 percent of parity. Any amount remaining after the last crop reached 75 percent of parity would revert to the Treasury.

Mr. AUGUST H. ANDRESEN. But the other amendment the gentleman proposes to offer is to remove that 75 percent and make it 100 percent?

Mr. CANNON of Missouri. To follow the provisions of the law as written without reference to any particular percentage.

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

Mr. CANNON of Missouri. I yield to the gentleman from Georgia.

Mr. PACE. Is not this confusion in the mind of the gentleman from Minnesota and in the mind of many Members of the House that they are taking from your answers that you mean 75 percent of the parity price, when in fact section 303 provides for 75-percent parity income, and that wheat could easily be above 75 percent of the parity price, but wheat would still participate in the fund, because the income

to wheat producers would not be 75 percent of parity income? Section 303 deals with income and not with prices.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. CANNON of Missouri. I yield.

Mr. AUGUST H. ANDRESEN. That has not been the practice.

Mr. PACE. Oh, yes; it has.

Mr. AUGUST H. ANDRESEN. I beg the gentleman's pardon.

Mr. PACE. I may say to the gentleman that if he will investigate it, he will find that is one reason why wheat has got as much money as it has. It dealt with 75 percent of parity income and not 75 percent of parity price.

Mr. CANNON of Missouri. If I may conclude my remarks on the pending question, "parity" means giving the farmer the same buying power he had before the war.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Montana.

Mr. O'CONNOR. If the farmer were to get today the full parity price for his wheat, what would he get?

Mr. CANNON of Missouri. I will insert in the RECORD the parity prices for all farm products and with them the farm and current market prices:

Comparison of farm, market, and parity prices

Commodity	Unit	Apr. 15, 1940			Current market price
		Parity price	Farm price	Farm price as percent of parity	
		Cents	*Cents*	*Percent*	*Cents*
Cotton	Pound	15.87	10.03	63.2	[1] 10.29
Corn, United States	Bushel	82.80	58.60	71.3	[2] 68.50
Wheat	Bushel	113.20	88.90	78.5	[3] 102.50 [4] 104.60
Rice	Hundredweight.	231.30	140.40	60.7	[5] 147.50 [6] 171.00

[1] 7/8 Middling at 10 markets.
[2] 3 Yellow at Chicago.
[3] 2 Dark at Kansas City.
[4] 2 Dark Northern at Minneapolis.
[5] Japan at San Francisco.
[6] Blue Rose at St. Charles.

Comparison of farm, market, and parity prices—Continued

Commodity	Unit	Apr. 15, 1940			Current market price
		Parity price	Farm price	Farm price as percent of parity	
Tobacco:		*Cents*	*Cents*	*Percent*	*Cents*
11-14	Pound	18.20	[7] 15.10	83.0	[7] 15.12
21-24, 35-37	Pound	9.80	[7] 9.00	91.8	[7] 9.00
31	Pound	16.90	[7] 17.40	103.0	[7] 17.47
42-44, 46, 51-55	Pound	14.20	[7] 15.60	109.9	[7] 15.60
41	Pound	10.70	[7] 12.00	112.1	[7] 12.00

[7] Season average: Most tobacco markets now closed.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield.

Mr. CASE of South Dakota. I wish the gentleman would state what the fact is with respect to the use of the year 1940 in the print of the bill now before us as the year to be used in determining payments. As I noticed the amendment offered by the gentleman now pending it used the year 1941, which I am sure is the year intended.

Mr. CANNON of Missouri. The figure 1940 in the bill is a misprint.

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

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. McLAUGHLIN. The membership of the House has just been handed a paper containing an excerpt from the RECORD of May 8 on parity payments, an extension of remarks by the gentleman from New York [Mr. TABER]. This excerpt reads in part as follows:

> Amount of payments expected to be made in the aggregate out of parity payment fund as carried in the present Senate amendment: Without 75-percent clause—cotton, $78,000,000; corn, $61,000,000; wheat, $54,000,000. With 75-percent clause—cotton, $120,000,000; corn, $43,000,000; wheat, nothing.

Would the gentleman comment as to whether or not this is an accurate statement?

Mr. CANNON of Missouri. The latest estimates are as follows:

Estimated distribution of 1941 parity payments to farmers, indicating amounts to be obligated in the fiscal year 1941 and the fiscal year 1942, assuming normal domestic consumption and exports and parity prices, the same as for 1940. Also, assuming wheat production 626,000,000 bushels; corn production in commercial area, 10 percent less than in 1939; flue-cured tobacco production, 700,000,000 pounds; burley tobacco production, 325,000,000 pounds; production of other commodities same as in 1939

[Expressed in millions of dollars]

	1939 price-adjustment program		1940 parity-payment program		1941 parity-payment program							
					Assumption A		Assumption B		Assumption C		Assumption D	
	Fiscal year 1939	Fiscal year 1940	Fiscal year 1940	Fiscal year 1941	Fiscal year 1941	Fiscal year 1942	Fiscal year 1941	Fiscal year 1942	Fiscal year 1941	Fiscal year 1942	Fiscal year 1941	Fiscal year 1942
	April through June 1939	July 1939 through May 1940	March through June 1940	July 1940 through February 1941	March through June 1941	July 1941 through January 1942	March through June 1941	July 1941 through January 1942	March through June 1941	July 1941 through January 1942	March through June 1941	July 1941 through January 1942
Cotton	-------	97	-------	95	-------	78.6	-------	120	-------	86	-------	147
Corn	-------	60	-------	48	-------	61	-------	43	-------	58	-------	54
Wheat	34	19	38	21	35	19	-------	-------	34	17	-------	-------
Rice	-------	2	-------	1.5	-------	2	-------	1	-------	2	-------	1
Flue-cured tobacco	-------	-------	-------	-------	-------	6	-------	-------	-------	4.6	-------	-------
Dark tobacco	-------	-------	-------	-------	-------	.4	-------	-------	-------	.4	-------	-------
Administrative expenses and expenses of local committees	6	5	5.5	5	6	4	6	4	6	4	6	4
Total	40	183	43.5	170.5	41	171	6	168	40	172	6	206
Program total	223		214		212		174		212		212	

Assumption A: (1) Mar. 15, 1940, prices for cotton (10 cents), wheat (85 cents), and corn (57 cents); and 1939 season average prices through Mar. 31, 1940, for tobacco (flue-cured, 15.1 cents; dark, 9 cents), and rice (164.2 cents per hundredweight). In the case of tobacco, prices on any given date may not be representative because different grades are sold at different times. (2) Payment limited to difference between farm price and parity (parity being—cotton, 15.9 cents; corn, 82.2 cents; wheat, 113.2 cents; rice, 231.3 cents; flue-cured tobacco, 18.2 cents; dark tobacco, 9.8 cents).

Assumption B: Same as A, except payment limited to difference between farm price and 75 percent of parity.

Assumption C: (1) Same as A, except 1939 season average prices through Mar. 31, 1940, for corn (55.9 cents) and cotton (9.15 cents); 16 cents per pound for flue-cured tobacco. (2) Payment limited to difference between farm price and parity.

Assumption D: Same as C, except payment limited to difference between farm price and 75 percent of parity.

APRIL 19, 1940.

As set forth in the footnotes on the table, these estimates have been prepared on the assumption that normal domestic consumption and exports and parity prices will be the same as those used in distributing the funds for the 1940 program.

Normal domestic consumption and export estimates are based on averages for a period of years and do not change materially even though there may be a change in actual domestic consumption and exports from year to year. Parity prices may change but the changes will be uniform for all commodities and such changes will not materially affect the distribution of funds.

It is to be noted that the estimated distribution shown in columns A and B is based on March 15 farm prices for cotton, corn, and wheat, whereas the estimated distribution shown in columns C and D is based upon March 15 farm prices for wheat and 1939–40 season average prices for corn and cotton. The parity funds in the pending bill would be divided on the basis of prices for the 1940 crop. Obviously it is impossible to estimate the prices that will prevail next fall and winter but it appears that the relationship set forth in columns C and D is more likely to prevail than that set forth in columns A and B. The reason for this is as follows: In 1940 loan rates on these three crops are likely to be near the 1939 loan rates. In the case of corn and cotton there are large stocks, and with average growing conditions it appears that supplies are likely to be sufficient to cause prices to average not materially in excess of the loan rates, which would result in prices near those prevailing during the 1939–40 marketing season. In the case of wheat, growing conditions have been unfavorable, and present indications are that the 1940 crop will be materially below the 1939 crop and wheat prices have advanced until they are now between 20 and 25 cents per bushel above the 1939 loan rates.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Montana.

Mr. O'CONNOR. As I understand, the gentleman has an amendment to the amendment written in by the Senate removing the 75-percent clause—and the gentleman favors that?

Mr. CANNON of Missouri. Yes. The amendment will be offered when the pending motion is disposed of.

Mr. O'CONNOR. If that is adopted by the House then wheat will participate the same as cotton, corn, and rice.

Mr. CANNON of Missouri. Unless it goes above parity. If the amendment is adopted nothing will participate which is selling above the parity price, but each of the five basic commodities will participate until it reaches parity.

Mr. Speaker, I yield to the gentleman from Kansas [Mr. LAMBERTSON], ranking minority member of the Committee, 5 minutes.

Mr. LAMBERTSON. Mr. Speaker, will not the gentleman yield first to the gentleman from New York [Mr. TABER]?

Mr. CANNON of Missouri. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, the passage of the motion to recede means that we add $212,000,000 to this appropriation bill, and that the House agrees to that. I am going to explain the parliamentary situation first, and I will not make any statements relative to the merits of the question until I have concluded on that phase.

If the House fails to recede, it votes against adding parity payments of $212,000,000 to this bill. If it votes in favor of that, then we come back to the amendment offered by the gentleman from Missouri [Mr. CANNON] that the House recede with an amendment which will strike out the language limiting payments under parity to those commodities where the price is not or will not be within 75 percent of parity. I have prepared a table based upon information given me yesterday by the Department of Agriculture which I have made available to the membership. This shows the customs receipts and the amount of surplus commodity money going to that corporation from the tariff, $101,400,000. It shows the break-down of the soil-conservation payments, totaling $475,000,000. It shows the break-down that the Agricultural Department stated would be made of the $212,000,000 among the five different commodities that are entitled to benefit under the law if there is no 75-percent clause in the agricultural bill we are now considering. If the 75-percent clause remains, it is shown in another table.

Mr. CHURCH. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER pro tempore (Mr. COOPER). The Chair will count.

Mr. CHURCH. Mr. Speaker, I withdraw my point of no quorum.

Mr. TABER. Mr. Speaker, if that motion should be agreed to—that is, that we recede—and then the gentleman from Missouri should not succeed in his motion, not a dollar of this money would go to wheat, only $43,000,000, according to the estimates of the Department of Agriculture, to corn, none to tobacco, but $120,000,000 to cotton.

So that we may all have the picture in our minds, may I say that the present price of cotton is 10.7 cents in New York, which means about 9 cents on the farm. The soil-conservation payment is 1.6 cents. This $120,000,000 will yield practically 2 cents. This means 12.6 cents, or a little more than the gentleman from Missouri [Mr. CANNON] told you was the so-called parity price. For my own part I do not believe that any branch of American life is prosperous today. If any group is, I do not know what one it is. When they get through paying taxes there is not much left. But with the war on in Europe and the demand for agricultural commodities increasing, prices have gone up quite markedly.

If we are going to restore prosperity to America, we must balance the Federal Budget. After there has been appropriated without opposition $475,000,000 for soil conservation, which is divided among all of these commodities, $273,000,000 going to the five commodities that might be entitled to parity payments, let me say now that those five commodities which receive two-thirds practically of the soil-conservation payments are only one-third of the total of the agricultural production of America.

When we have appropriated that much money, when we have provided $101,400,000 out of the tariff money for surplus commodities, and when we have shown as we have the marked increases of the prices of agricultural products due to the war, I wonder if it is right for us to vote $212,000,000 out of the Treasury for parity payments? Frankly, I cannot see it. I have every interest in the farm. I have a farm interest myself, as many of the other Members have. I am just as much interested personally as most of you are. But I do not think we are doing the fair thing by the farmer to go ahead with this program.

If the motion to recede should be carried, and, then, when we got through, the 75-percent clause was not wiped out, practically all of this money would go for cotton payments. Now I am not saying this when we have not done anything for the farmer, but when we have already set aside nearly $600,000,000 to be used for the benefit of agricultural products I do not think we ought to add $212,000,000. There is no Budget estimate for it, and unless we take a stand firmly against increasing Budget estimates and against providing funds beyond the range of reason, I do not believe we are ever going to balance the Federal Budget or get anywhere.

I fight just as hard against appropriations for other purposes when I believe the committees or the Congress go beyond the bounds of reason, as I do in this case. I have shown a willingness by not fighting these other things to help the farmer as far as reasonably may be done. I hope that the Congress will vote at this time against receding upon this amendment.

Mr. SHORT. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. SHORT. It seems to me that the gentleman's remarks only go to show how this whole agricultural program discriminates not only between farmers and other classes of citizens, but it discriminates between certain classes of farmers themselves. Farmers in my district, particularly the dairy farmers, and that is the biggest single branch of the agricultural industry, the poultry raisers and the tomato

raisers, have never received a single dime in benefit payments from this administration.

Mr. TABER. That is the truth.

Mr. CRAWFORD. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Assuming that the motion to recede and concur is adopted and the lower figure of $174,000,000 stands, what is the gentleman's understanding with reference to the loan value that will be placed on cotton?

Mr. TABER. I have not the slightest idea.

[Here the gavel fell.]

Mr. LAMBERTSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LAMBERTSON. Mr. Speaker, I think there is a divergent opinion here about the parliamentary situation. I would like to have the Speaker state for the benefit of the Members of the House what the effect of the first amendment is. I know that we are in disagreement over the parliamentary situation.

The SPEAKER pro tempore. The pending question is whether the House will recede from its disagreement to the Senate amendment.

Mr. LAMBERTSON. If the House recedes, the question then recurs on the amendment to strike out the 75-percent provision. Will that come on concurring, or what will be the effect of receding?

The SPEAKER pro tempore. Of course, the Chair is not in position to anticipate further motions that may be made, but, as the Chair understands it, after the motion to recede is agreed to, the gentleman from Missouri gave notice that he expected to offer a motion to concur with an amendment.

Mr. LAMBERTSON. If the motion to recede carries, what will be the situation?

The SPEAKER pro tempore. The gentleman from Missouri will doubtless offer his motion, as he has indicated he will do.

Mr. LAMBERTSON. If the House does not recede, then his motion is precluded?

The SPEAKER pro tempore. That is the effect of it.

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CASE of South Dakota. If the motion to recede carries, then will not a motion to concur with an amendment take precedence over the simple motion to concur that was originally offered by the gentleman from Georgia [Mr. TARVER]?

The SPEAKER pro tempore. The gentleman is correct. That is what the Chair undertook to state.

Mr. CANNON of Missouri. Mr. Speaker, I yield 8 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, a very peculiar situation exists before this House today, and I hope you will indulge me your attention for just a moment in the hope that I can dissipate whatever parliamentary confusion there may be in your minds. In order to do so we must go back a little and pick up the threads of history relating to parity.

In the first place, when the appropriation bill came before this body some months ago, the House made no provision for parity. That is No. 1. Secondly, the bill went to the Senate, and there amendment No. 99 was written into the bill, providing for $212,000,000 of parity-payment money to be allocated on a basis of 75 percent of the parity price of basic commodities.

The gentleman from Georgia [Mr. TARVER] has made a motion to recede from disagreement with the Senate and to concur. The chairman of the subcommittee [Mr. CANNON] has asked for a division of that motion. There is pending before us at the present time nothing more than the simple motion to recede from disagreement with the Senate.

In the event the motion to recede from disagreement with the Senate is voted down, the chairman of the subcommittee cannot offer another motion to concur with an amendment relating to 100-percent parity. To show you how important that is, let us see what may happen.

If the Senate language prevails, it means that $212,000,000 will be available on the basis of 75 percent of parity, but let me say to all you wheat fellows in the Chamber today that you are not going to get a dime of that money, because wheat is over 75 percent of the parity price at the present time.

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

Mr. DIRKSEN. Let me proceed for a moment.

The figures that were submitted to the gentleman from New York [Mr. TABER] and inserted in the RECORD on March 8 clearly indicate that if the 75-percent clause is kept in the language that is adopted by the House with respect to parity money, cotton on present prices would get $120,000,000; corn would get $43,000,000; and wheat would get absolutely nothing. Rice would get $1,000,000, and tobacco would get nothing.

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

Mr. DIRKSEN. Not now, if you please.

However, if the motion to recede is voted up so that we do recede from our disagreement to the Senate amendment, then this is what you can do. The chairman of the subcommittee can then offer his motion to concur with a new amendment, which strikes out the 75 percent provision carried in the Senate language, so that the $212,000,000 will be available for distribution not on a 75 percent basis but on a 100 percent basis. The distribution will then be as follows:

Instead of $120,000,000 for cotton there will be $78,000,000; instead of $43,000,000 for corn there will be $61,000,000; instead of nothing for wheat there will be $54,000,000; instead of $1,000,000 for rice there will be $2,000,000; instead of nothing for tobacco there will be $6,400,000.

You see how much this whole distribution of $212,000,000 would be changed on a 100 percent formula rather than on a 75 percent formula. So our problem today is this: If you want to kill parity payments entirely, then vote against the motion to recede, because that means that you sustain the position of the House in disagreement with the Senate. I believe the gentleman from New York [Mr. TABER] will concur in that.

Mr. TABER. That is correct.

Mr. DIRKSEN. If you are against any kind of parity payments then vote against the motion to recede. However, if you believe that there ought to be a reallocation of the formula on a 100 percent basis, you will vote for the motion to recede, because that is the only way the chairman of the subcommittee can have an opportunity to offer an amendment providing for the striking of that 75 percent provision so the $212,000,000 will be allocated on the basis of 100 percent of parity.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Let us assume that cotton and tobacco are 100 percent, or at parity, and wheat and corn are 25 percent below parity. Will all of the $212,000,000 go to wheat and corn, and cotton and tobacco receive nothing?

Mr. DIRKSEN. I say to you that the language of section 303 of the Farm Act of 1938 would govern. This is the language; let there be no mistake about it:

> If and when appropriations are made therefor, the Secretary is authorized and directed to make payments to producers of corn, wheat, cotton, rice, or tobacco on their normal production of such commodities in amounts which, together with the proceeds thereof, will provide a return to such producers which is as nearly equal to parity price as the funds so made available will permit.

Therefore, if any commodity is under parity, this money can be used to bring it up.

If any commodity is over parity, none of this money is available for such commodity.

But I want to adjure you now that on the basis of the formula written by the Senate of the United States you wheat fellows will not get a single copper of this money. On the other hand, corn will get $43,000,000 as against $61,000,000 on

a 100-percent basis. There will be a change as between that and the 75-percent basis now carried in the Senate.

Let me summarize; my time is getting short. If you are against parity entirely, vote against the motion to recede. If you think that parity is finally going to carry—and my notion is it probably will—you will be foreclosing the opportunity, perhaps, to get the 100-percent formula instead of the 75-percent formula. You will have tied the hands of the chairman of the subcommittee to offer his motion to concur with an amendment to the Senate language. I wish that to be perfectly plain. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 8 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, the trouble with us farmers is that whenever we are just about to get something that might be of benefit to us, somebody who is not in accord with us and is not trying to help us manages to bring in an issue that splits us apart, and we are not able to act unitedly in an effort to obtain what we should get. You heard the gentleman from New York [Mr. TABER], pointing out the terrible disadvantages that would accrue to the growers of wheat and tobacco and others besides the growers of cotton if we acceded to the Senate language making this appropriation without the Cannon amendment. Of course, the gentleman from New York is not interested in trying to do something to bring about the consummation of the parity appropriation, quite the contrary. He would not vote for a single dollar for parity under any conditions or under any terms, but he is trying to bring out an issue here between the representatives of the wheat farmers and the representatives of the cotton farmers and the representatives of the tobacco farmers, the effect of which may be, in the long run, to prevent anybody from getting any parity payments.

As a matter of fact, on the basis of prices as of March 15, if the 75-percent limitation remains in the bill, it is estimated by officials of the Agricultural Adjustment Administration that only about $160,000,000 of this $212,000,000 here proposed for appropriation would be used, and so you might normally expect the gentleman from New York [Mr. TABER], in view of the fact that it will involve a saving to the Government of over $50,000,000, to be in favor of maintaining the 75-percent limitation in order that the smaller amount might be used, but the burden of his argument was the insistence that the retention of that 75-percent limitation would be unfair to the wheat farmers and to the tobacco farmers of the country.

Now, let us see for a moment whether it would be or not and whether or not there is a chance to get this parity appropriation at all if you strike out that 75-percent provision. In the first place, these payments, if they are appropriated for by Congress, will not be made on the basis of this year's crops. They will be made on the basis of performance in the farm program of 1941. They will not be made, in the main, until the late fall of 1941 or the early part of 1942. There is nobody in God's world, whether he be a prophet or the son of a prophet, who can undertake to say what the prices of wheat and cotton and tobacco and the rest of the five crops included within the provisions for these parity payments, will be at the time when their market prices are determined for the purpose of adjusting parity payments, if this provision is made.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I am sorry I cannot yield.

It is a matter which is generally recognized, I think, that if there should be a cessation of the European war, the position of wheat is going to be far worse than the position of cotton; at least, experts from the Department of Agriculture advise me that is true, and it is entirely possible that if you leave the 75 percent limitation in the bill, instead of cotton getting out of proportion to what it ought to receive when the time for payment comes about, the cotton farmers may then feel that wheat is getting out of proportion to what it ought to receive, because there would be, in the event of the cessation of the war, drastic declines, in all probability, in the price of wheat, while it is not anticipated cotton would be substantially affected; but here is the practical situation if you want parity payments. The President of the United States sent a Budget message, part of which was quoted by the gentleman from Missouri [Mr. CANNON], but he did not quote it all. The message reads with regard to this item as follows:

> I have not, however, included estimates for new appropriations for parity payments in 1941. I am influenced by the hope that next year's crops can be sold by their producers for at least 75 percent of parity.

The gentleman from Missouri [Mr. CANNON] did not read that. This and other language in the message indicates the President's willingness to go to, but not beyond, 75 percent of parity. We started this payment of parity in the 1939 appropriation bill with this limitation of 75 percent in the appropriation. If I am not mistaken, that limitation was written by the gentleman from Missouri [Mr. CANNON], and we have kept it in the subsequent appropriation for parity.

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

Mr. TARVER. I yield.

Mr. CANNON of Missouri. The limitation was not written by me, but was prepared in the Senate and we accepted it as a compromise. I have never approved it.

Mr. TARVER. Very well; I was under the impression the gentleman had not only approved, but had been instrumental in its preparation. Whether that be correct or not, we have asked for this appropriation for the past years upon the idea that we were not attempting, out of the Public Treasury, to bring these farm prices up to parity, but to only 75 percent of parity.

That would be helpful to a percentage of farmers of the country who are not receiving even 75 percent of parity prices for their crops, and that is the basis on which the matter was argued in the Senate. We did not put the parity appropriations in the bill that we brought in from our subcommittee and, as I recall, nobody offered that proposition as an amendment on the floor of the House. The Senate put it in, and the Senate conferees, to a man, are insisting on this 75-percent limitation, and they say that the Senate would never have agreed to the appropriation except for the inclusion of the 75-percent limitation in the language of the appropriation, and that it is pretty generally understood that if you undertake to vote 100-percent parity out of the Treasury of the United States without making provision for any sort of taxes to meet that charge, this bill wil be vetoed by the President.

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

Mr. TARVER. Yes.

Mr. COLMER. It has been said by some of the opponents of this measure that wheat would not get a dollar out of this because wheat is already up to 75 percent of parity, but I wondered if the gentleman will not point out to the opposition that as friends of the wheat farmer we do not know what wheat will be in 1941.

Mr. TARVER. I have already undertaken to do that, and may I say this further, that on the basis proposed by the amendment of the gentleman from Missouri [Mr. CANNON] cotton would get from $77,000,000 to $80,000,000 out of the $212,000,000, instead of $95,000,000 as he stated out of the appropriation for the present fiscal year. In other words, if you change this program which has been carried on on a 75-percent basis ever since it began, then you are going to take this crop which is further under parity than any other of the five crops, and you will take away from the amount paid to the farmers who are producing that crop some fifteen or seventeen millions of dollars from what they receive this year from an appropriation of similar amount and give it to crops that are above 75 percent of parity. That will be the effect of your agreeing to the amendment offered by the gentleman from Missouri, a very unfair and unjustified disposition of the matter.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. CANNON of Missouri. Mr. Speaker, two motions are pending at this time, the motion to recede and the motion to concur. We vote first on the motion to recede. If the motion to recede is not agreed to, that disposes of it, and we take it back to the Senate; but if the motion to recede is agreed to, the question then recurs on the motion to concur, and when that motion is taken up I shall offer an amendment to strike out the first proviso, that is, strike out the 75-percent provision.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired. All time has expired.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.

The SPEAKER pro tempore. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on receding from the disagreement of the House to the Senate amendment.

The question was taken; and on a division (demanded by Mr. SHORT) there were—ayes 142, noes 97.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 207, nays 176, answered "present" 1, not voting 46, as follows:

[Roll No. 103]

YEAS—207

Alexander	Dempsey	Keller	Peterson, Fla.
Allen, Ill.	DeRouen	Keogh	Peterson, Ga.
Allen, La.	Dickstein	Kerr	Pfeifer
Andersen, H. Carl	Dies	Kilday	Pierce
Anderson, Mo.	Dingell	Kitchens	Poage
Andresen, A. H.	Doughton	Kleberg	Rabaut
Arends	Doxey	Knutson	Ramspeck
Arnold	Duncan	Kocialkowski	Rankin
Barnes	Edelstein	Lanham	Rayburn
Bates, Ky.	Elliott	Larrabee	Richards
Beam	Ellis	Leavy	Robinson, Utah
Beckworth	Ferguson	LeCompte	Romjue
Bell	Fernandez	Lemke	Ryan
Bloom	Fitzpatrick	Lesinski	Sabath
Boland	Flaherty	Lynch	Sacks
Boren	Flannagan	McAndrews	Sasscer
Boykin	Flannery	McCormack	Schaefer, Ill.
Bradley, Pa.	Ford, Miss.	McGehee	Schuetz
Brooks	Ford, Thomas F.	McGranery	Schwert
Brown, Ga.	Fulmer	McKeough	Scrugham
Bryson	Garrett	McLaughlin	Shannon
Buckler, Minn.	Gathings	McMillan, Clara G.	Sheppard
Buckley, N. Y.	Geyer, Calif.	McMillan, John L.	Sheridan
Burdick	Gibbs	Maciejewski	Smith, Ill.
Byrns, Tenn.	Goodwin	Magnuson	Smith, Wash.
Byron	Gore	Mahon	Snyder
Caldwell	Gossett	Maloney	Somers, N. Y.
Camp	Grant, Ala.	Mansfield	South
Cannon, Fla.	Gregory	Marcantonio	Sparkman
Cannon, Mo.	Griffith	Martin, Ill.	Starnes, Ala.
Carlson	Guyer, Kans.	Martin, Iowa	Stefan
Cartwright	Gwynne	Massingale	Sumners, Tex.
Case, S. Dak.	Harrington	Mills, Ark.	Sweet
Casey, Mass.	Hart	Mills, La.	Talle
Celler	Havenner	Monroney	Tarver
Clark	Healey	Mouton	Terry
Cochran	Hennings	Mundt	Thomas, Tex.
Coffee, Nebr.	Hill	Murdock, Ariz.	Thomason
Collins	Hobbs	Murdock, Utah	Tolan
Colmer	Hook	Myers	Vincent, Ky.
Connery	Hope	Nelson	Vinson, Ga.
Cooper	Hunter	Nichols	Voorhis, Calif.
Courtney	Izac	Norrell	Wallgren
Cox	Jacobsen	O'Connor	Ward
Cravens	Jarman	O'Day	Warren
Creal	Jensen	O'Toole	West
Crowe	Johnson, Luther A.	Pace	White, Idaho
Cullen	Johnson, Lyndon	Parsons	Whittington
Cummings	Johnson, Okla.	Patman	Williams, Mo.
Curtis	Johnson, W. Va.	Patrick	Wood
Davis	Jones, Tex.	Patton	Zimmerman
Delaney	Kefauver	Pearson	

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Allen, Pa.	Bolton	Cole, N. Y.	Dworshak
Anderson, Calif.	Bradley, Mich.	Corbett	Eaton
Andrews	Brewster	Costello	Eberharter
Angell	Brown, Ohio	Crawford	Edmiston
Austin	Buck	Crosser	Elston
Ball	Burch	Crowther	Engel
Barry	Chapman	Culkin	Englebright
Barton, N. Y.	Chiperfield	D'Alesandro	Evans
Bates, Mass.	Church	Dirksen	Faddis
Bender	Clason	Disney	Fay
Blackney	Clevenger	Ditter	Fenton
Bland	Cluett	Dondero	Fish
Bolles	Cole, Md.	Drewry	Ford, Leland M.
Gamble	Johnson, Ill.	O'Brien	Smith, Conn.
Gartner	Jones, Ohio	O'Leary	Smith, Ohio
Gavagan	Jonkman	Oliver	Smith, Va.
Gearhart	Kean	O'Neal	Spence
Gehrmann	Kee	Pittenger	Springer
Gerlach	Keefe	Plumley	Stearns, N. H.
Gifford	Kelly	Polk	Sullivan
Gillie	Kennedy, Martin	Powers	Sumner, Ill.
Graham	Kennedy, Michael	Reece, Tenn.	Sutphin
Grant, Ind.	Kilburn	Reed, Ill.	Taber
Gross	Kinzer	Reed, N. Y.	Thill
Hall, Edwin A.	Kunkel	Rees, Kans.	Thorkelson
Hall, Leonard W.	Lambertson	Rich	Tibbott
Halleck	Lewis, Colo.	Risk	Tinkham
Hancock	Lewis, Ohio	Robertson	Treadway
Harter, N. Y.	Ludlow	Robsion, Ky.	Van Zandt
Harter, Ohio	McArdle	Rockefeller	Vorys, Ohio
Hartley	McDowell	Rodgers, Pa.	Vreeland
Hawks	McGregor	Rogers, Mass.	Wadsworth
Hess	McLean	Routzohn	Walter
Hinshaw	McLeod	Rutherford	Welch
Hoffman	Marshall	Sandager	Wheat
Holmes	Martin, Mass.	Satterfield	Wigglesworth
Horton	Mason	Schafer, Wis.	Williams, Del.
Houston	May	Schiffler	Winter
Hull	Michener	Seccombe	Wolcott
Jarrett	Miller	Secrest	Wolfenden, Pa.
Jeffries	Monkiewicz	Seger	Wolverton, N. J.
Jenkins, Ohio	Moser	Shanley	Woodruff, Mich.
Jenks, N. H.	Mott	Short	Woodrum, Va.
Johns	Murray	Simpson	Youngdahl

ANSWERED "PRESENT"—1

Luce

NOT VOTING—46

Barden, N. C.	Dunn	Kirwan	Shafer, Mich.
Boehne	Durham	Kramer	Smith, W. Va.
Bulwinkle	Folger	Landis	Steagall
Burgin	Fries	Lea	Sweeney
Byrne, N. Y.	Gilchrist	Maas	Taylor
Carter	Green	Merritt	Tenerowicz
Claypool	Hare	Mitchell	Thomas, N. J.
Coffee, Wash.	Harness	Norton	Weaver
Cooley	Hendricks	Osmers	Whelchel
Darden, Va.	Jennings	Randolph	White, Ohio
Darrow	Johnson, Ind.	Rogers, Okla.	
Douglas	Kennedy, Md.	Schulte	

So the motion to recede from its disagreement to the Senate amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hare (for) with Mr. Landis (against).
Mr. Cooley (for) with Mr. Osmers (against).
Mr. Tenerowicz (for) with Mr. Maas (against).
Mr. Gilchrist (for) with Mr. Darrow (against).
Mr. Burgin (for) with Mr. Thomas of New Jersey (against).
Mr. Fries (for) with Mr. Jennings (against).
Mr. Barden of North Carolina (for) with Mr. Douglas (against).
Mr. Claypool (for) with Mr. Harness (against).
Mr. Steagall (for) with Mr. Luce (against).
Mr. Weaver (for) with Mr. Johnson of Indiana (against).

General pairs:

Mr. Darden of Virginia with Mr. White of Ohio.
Mr. Green with Mr. Merritt.
Mr. Kramer with Mr. Shafer of Michigan.
Mr. Lea with Mr. Carter.
Mr. Schulte with Mr. Mitchell.
Mr. Boehne with Mrs. Norton.
Mr. Bulwinkle with Mr. Sweeney.
Mr. Byrne of New York with Mr. Smith of West Virginia.
Mr. Dunn with Mr. Kennedy of Maryland.
Mr. Coffee of Washington with Mr. Rogers of Oklahoma.
Mr. Folger with Mr. Taylor.
Mr. Kirwan with Mr. Durham.
Mr. Whelchel with Mr. Hendricks.

Mr. SCHAFER of Wisconsin changed his vote from "aye" to "no."

Mr. LUCE. Mr. Speaker, I am paired with the gentleman from Alabama, Mr. STEAGALL. If he were present, he would have voted "aye." I voted "no." I withdraw my vote and answer "present."

Mr. LESINSKI changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

Mr. CANNON of Missouri. Mr. Speaker, I offer a motion, which I send to the desk.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House concur in the amendment of the Senate No. 99, with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

"PARITY PAYMENTS

"To enable the Secretary of Agriculture to make parity payments to producers of wheat, cotton, corn (in the commercial corn-producing area), rice, and tobacco pursuant to the provisions of section 303 of the Agricultural Adjustment Act of 1938, $212,000,000:

Provided, That such payments with respect to any such commodity shall be made with respect to a farm only in the event that the acreage planted to the commodity for harvest on the farm in 1941 is not in excess of the farm acreage allotment established for the commodity under the agricultural conservation program."

Mr. CANNON of Missouri. Mr. Speaker, the amendment is the pending motion, with one exception. It strikes out the first proviso. That is, it strikes out the 75 percent and leaves the amendment in the language of the original law—100-percent parity.

This is not my motion, Mr. Speaker. I offer it merely in response to requests from many sources, and with the endorsement of every major farm organization in the United States. The great fight of American agriculture today is for parity. Labor is from 150 to 300 above parity. Industry is from 125 to 160 percent of parity. Everybody is above parity but the farmer. Surely this Congress would not take the position, by official enactment, that when everybody else is above parity the farmer is only entitled to 75 percent of parity.

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

Mr. CANNON of Missouri. I much regret my time is so limited. I must conclude my remarks.

The question before us, then, is whether you will say that the farmer is entitled to but 75 percent of his pay or is entitled to as fair a price for his products as any other industry, and as fair a wage for his toil, as any other laborer in the Nation.

In conclusion, permit me to quote a man for whom I have great admiration; a man who, in my opinion, has as profound a knowledge of the agricultural problem as any man who has served on this floor in the 30 years I have been here.

That is making a strong statement, because I was here when Lever of South Carolina brought in some of the most useful legislation ever enacted by this Congress. I quote from the gentleman from South Carolina [Mr. FULMER], who has been of great service to agriculture in the past and who is destined to be of even greater service to agriculture and to the Nation in the years to come. The gentleman from South Carolina [Mr. FULMER] said on January 31, 1940, speaking on this floor:

> Farmers cannot continue to own and operate their farms when they receive only 75 percent of parity.

Then he made one of the most striking statements made in this session. He said:

> You cannot make landlords out of tenants until you stop the thing that is making tenants out of landlords.

May I also quote from a distinguished Member of the other body, who said on March 20, 1940:

> Mr. President, I favor paying full parity as a matter of right and justice. When this program began we started talking about parity. We did not talk about two-thirds of parity. We did not talk about three-fourths of parity. We talked about parity, and we passed it. I believe we owe it to the farmer to provide for him full parity.

Mr. SCHAFER of Wisconsin. Will the gentleman yield for a brief question?

Mr. CANNON of Missouri. If the gentleman will excuse me, I must close with one more statement. It is from Edward A. O'Neal, the president of the American Farm Bureau Federation, made on April 6, 1940:

> No farmer should permit anyone to distract his attention and interest from the great necessity of restoring farm commodity prices to parity, which is the only way to enable farmers to get out of debt and keep out of debt.

Mr. Speaker, parity is simple justice to the farmer. It will bring prosperity not only to him but to the Nation and to every industry which depends on his patronage.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I deem it always a very hopeful afternoon if the House only has clearly in mind the parliamentary situation and the question that is pending. So, in the same tenor as the previous remarks I made this afternoon, let me go back and pick up the strands once more regarding this whole matter of parity.

There were no parity funds in the appropriation bill as it left the House. Two hundred and twelve million dollars was written into the bill by the Senate for that purpose. The conference report therefore came back to us today embodying $212,000,000 to be distributed on a basis of 75 percent of the parity price of the basic commodities. The gentleman from Georgia made his motion to recede from the disagreement with the Senate, and that motion carried by the instant roll call; so that for all practical purposes the House has committed itself to the position of the Senate regarding the amount of money, namely, $212,000,000. Now comes the gentleman from Missouri [Mr. CANNON] with a motion to concur with an amendment which strikes out that portion of the Senate language which limits the distribution of the parity money to the 75-percent basis and provides a 100-percent basis. The net effect of the proposal which is before the House at the present time is to take the $212,000,000 made available and allocate it on a basis of 100 percent of parity.

To indicate just how important that is and how that distribution will materialize as among the different commodities let me once more read the figures that were sent to the gentleman from New York [Mr. TABER] very recently. Under the Senate proposal which pays on a 75-percent formula cotton would, on the basis of present prices, receive $120,000,000, corn would receive $43,000,000, wheat would receive nothing, rice would receive $1,000,000, and tobacco would receive nothing.

If the amendment offered by the gentleman from Missouri is carried, it will provide a 100-percent formula, and the distribution will be as follows: Cotton, $78,000,000 as against $120,000,000 on a 75-percent basis; corn will receive $43,000,000 as against $61,000,000 under the proposal of the gentleman from Missouri.

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

Mr. DIRKSEN. I yield.

Mr. TARVER. The gentleman will admit that under the plan proposed in the Cannon amendment, cotton, the crop furthest below parity would receive from $15,000,000 to $17,000,000 less out of this $212,000,000 than it will receive out of the amount appropriated for the present year with the 75-percent limitation in the bill.

Mr. DIRKSEN. Of course, if the gentleman directs his remarks to the matter of the 100-percent formula as against the 75-percent formula.

May I say to all those gentlemen who come from those great billowy fields of wheat in the Southwest, Northwest, and Central West that under the 75-percent formula they get nothing, but under the 100-percent formula they would receive $54,000,000.

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

Mr. DIRKSEN. I yield.

Mr. HOPE. Is not the answer to the gentleman from Georgia this, that the reason cotton will get less this year than last is because the price of cotton is higher this year than it was last?

Mr. DIRKSEN. The gentleman is correct.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. SCHAFER of Wisconsin. I wanted to interrogate the gentleman from Missouri [Mr. CANNON] but he said he could not yield because time was so limited. I wanted to learn something about how this thing would operate. Since the gentleman indicated that he was for 100-percent parity I would like to find out how much the dairy farmers, the poultry farmers, the barley and oat farmers in America will receive under this amendment which he sponsors?

Mr. DIRKSEN. Let me say to the gentleman from Wisconsin that the very distasteful truth is that the poultry, the dairy, the barley and the oat farmers will receive exactly nothing because those commodities are not basic commodities under the act of 1938.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield the gentleman from Illinois 3 additional minutes.

Mr. DIRKSEN. It should be emphasized that whenever one of the basic commodities goes to parity no money will be available for that commodity. At the present time wheat is approximately 79 percent of parity. That is the reason that on a 75-percent formula it could not share. Corn is currently 71 percent of parity, hence corn would come in under the 75-percent formula or under the 100-percent formula, also; but it should be emphasized that no funds will be available for any commodity once that commodity achieves parity. If it should transpire that all five of the basic commodities, tobacco, rice, cotton, wheat, and corn within the period before this money is available, should reach parity, all of the money will be returned to the Treasury of the United States. So, let me recapitulate the situation by saying that the question you are going to vote on now is the amendment offered by the gentleman from Missouri which changes the formula of the Senate from 75 to 100 percent so that there will be, in my judgment, a more equitable distribution of the $212,000,000. That is the matter for the resolution of the House. [Applause.]

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman from Illinois yields back 1 minute.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Texas, Judge JONES. [Applause.]

Mr. JONES of Texas. Mr. Speaker, I shall support the Cannon amendment.

Mr. Speaker, when the original act of 1938 was passed it provided a formula based on 100 percent of parity, that is, based on parity. That formula was well worked out. It provides in the distribution of funds available for such payments, that is, parity payments, with respect to these commodities that the funds shall, unless otherwise provided by law, be apportioned to these commodities in proportion to the amount by which each fails to reach parity income. In other words, when 1941 comes the commodity of this group that is the furthest from parity will receive the most of the funds, and that is fair whether it be wheat, or cotton, corn, or any of the other commodities that are listed as basic commodities. About 2 years ago the Senate inserted in an appropriation bill—this was not in the basic act—a 75-percent limitation. In other words, they used practically the same method of approach with the 75 percent, and that made very little difference in the distribution of funds for last year and for this year, because these basic crops were practically the same distance from parity. Now, this is not a legislative limitation. It is an artificial one, put on after the legislative limitation was enacted. When that limitation was put on it changed for that year the basic act and so long as it is carried it will have the effect of changing the basic act. I do not think it forms the necessary precedent for carrying on continually. I believe the basic act is better. Of course, how the money will be distributed will depend on what the prices are in 1941. If the price picture is reversed, that is, if wheat went down and cotton went up, wheat would get more, but even so the original formula provides a fair division; so that whatever the price may be the apportionment of funds will be based on the distance from parity, and I think that is a better method of approach than to have the 75-percent limitation.

Mr. TARVER. Will the gentleman yield?

Mr. JONES of Texas. I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman would not contradict the statement that in every appropriation bill we have had for parity, so far, this 75-percent limitation has been included?

Mr. JONES of Texas. That is correct, but that is the action of the Appropriations Committee and that is what we were given a chance to vote on. But the legislative committee which formulated this bill stipulated that the basis of division should be the 100-percent formula. I have never favored departing from that formula. Of course, I expect to vote for the Cannon amendment, and, if that is voted down, I expect to vote for the gentleman's amendment; but I fear that the gentleman, by making the fight, is likely to run into a division and he might find he was in danger of losing the fight. I hope that he will vote for the Cannon amendment and then, if it is voted down, we can go along with his amendment.

Mr. TARVER. Does the gentleman think it is fair at a time when cotton is further below parity than any other crop to take fifteen to seventeen million dollars away from cotton?

Mr. JONES of Texas. I certainly do not agree with the gentleman that we are taking anything away from cotton. We are not taking from cotton. Nothing has been made available for any of them as yet. There has been no appropriation for parity as yet. We are trying to make an appropriation and we are not taking anything from cotton. May I say to the gentleman that the Cannon amendment will give cotton $78,000,000, and I think that is a pretty fair division of the $212,000,000.

Mr. DIRKSEN. Will the gentleman yield?

Mr. JONES of Texas. I yield to the gentleman from Illinois.

Mr. DIRKSEN. It runs in my mind that the 75-percent level rose from a casual observation by the President of the United States rather than by the Senate some time ago.

Mr. JONES of Texas. I do not know where that 75-percent idea came from, but it was not in the original act, it is not a part of the original act, and it made very little difference at the time it was first presented because the funds were being fairly evenly divided. I think the Cannon amendment is the proper approach to the problem because it goes back to the original act.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. TARVER. Will the gentleman yield?

Mr. JONES of Texas. I yield for a question. I will not yield for an argument.

Mr. TARVER. I do not undertake to make an argument in asking the gentleman a question, and I propose to ask him a question. The gentleman does not deny that under the Cannon amendment cotton will receive fifteen to seventeen million dollars less than it now receives under the 75-percent limitation?

Mr. JONES of Texas. That is correct. On the other hand, if the Cannon amendment is voted down, cotton will receive $78,000,000 less than if both amendments were voted down. The Cannon amendment will furnish cotton $78,000,000, and if it is voted down cotton will not get anything unless the gentleman's amendment is adopted, and he takes a chance on that because it is going to be difficult to ask other commodities to support the gentleman's amendment if they vote down the Cannon amendment. The gentleman knows that is the issue. I do not object to cotton getting $120,000,000, but I call attention to the fact that cotton has not yet gotten that $120,000,000. You have not yet secured the $78,000,000. The gentleman would better not jeopardize the whole issue and risk losing the entire payment by insisting on a formula that was not in the original act.

Mr. POAGE. Will the gentleman yield?

Mr. JONES of Texas. I yield to the gentleman from Texas.

Mr. POAGE. May I ask the gentleman if it is not a fact we have to get a majority of the votes here right now in order to get anything?

Mr. JONES of Texas. That is the point I am making. From my experience in the House, I think the best way is to try to be fair all along the line. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, it is always with extreme diffidence I presume to take issue with any statement made by the chairman of the Committee on Agriculture, whose knowledge of farm questions and farm problems is more pro-

found, in my opinion, than that of any other Member of the House. I have no question whatever as to his good faith in the statement which he has made. Of course, I would rather have a half-loaf than no bread at all; and if I were convinced that the situation is as stated by the gentleman from Texas, I certainly would support the Cannon amendment, or any other amendment which might give me assurance of some type of parity payment to the farmers of the country whose crops are below parity on the basis of present market price; but I have exactly the contrary opinion. My opinion is gleaned largely from an experience of something over a month in conference with the Senate conferees. Those gentlemen are unanimously opposed to the elimination of the 75-percent limitation. They state that the appropriation for parity payments would never have been made in the Senate except upon assurances that the 75-percent limitation would be preserved. They are confident that if the 75-percent limitation is removed from the appropriation it will not receive the approval of the President of the United States. Therefore, I am of the opinion that, instead of the adoption of the Cannon amendment, assuring the making of parity payments in some amount, the adoption of that amendment, if it is insisted upon by the House, will result in no parity payments whatever being secured. I feel that I have a basis for that prediction in the statement which I have made and the experiences I have undergone in the conferences between the Senate and the House.

This is simply the question. You have been trying to help the most distressed part of agriculture, the farmers who are getting less than 75 percent of parity for their crops. Now, part of them are getting over 75 percent of parity. Is it possible that their representatives are going to say, "We do not want to continue to help those of our brothers who are still getting less than 75 percent of parity, because we have gone over that figure, unless they are willing to continue to give us something also, and not only give us something but give us more than we have had heretofore, and to take less for themselves"? In other words, cotton out of this year's appropriation is getting about $95,000,000, according to the statement of the gentleman from Missouri [Mr. CANNON], and the proposal here is, although cotton is further below 75 percent of parity than any other crop, further below parity than any of these five crops, to take from cotton some $15,000,000 or $17,000,000 and give it to the farmers producing these crops which are nearer to parity than cotton.

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

Mr. TARVER. I yield to the gentleman from Kentucky.

Mr. MAY. Is it possible that such changes might occur in the prices of certain farm products that would be affected by this amendment that if they went to 100 percent their producers would be deprived of a great deal of money?

Mr. TARVER. If present prices are maintained, there is a possibility that only $160,000,000 of this $212,000,000 will have to be expended if the 75-percent limitation is retained. There is a possibility, as I sought to impress upon the House when I had the floor a few moments ago, that when these payments are to be made wheat may be the most distressed of the five crops involved. If the European war should end, that undoubtedly will be true. Wheat may require a much larger portion of this money than cotton. We cannot guess now as to what the prices are going to be for wheat and cotton in the fall of this year or next year, but no matter which crop gets the most of it, is it not fair to continue our program of saying that the fellow who is getting less than 75 percent of parity is the fellow we are going to try to help with donations from the Public Treasury? [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. HOPE], the ranking member of the Committee on Agriculture.

Mr. HOPE. Mr. Speaker——

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Is it not a fact that if the Cannon amendment is defeated, in all probability the entire $212,000,000 appropriation will also be defeated?

Mr. HOPE. I believe the gentleman is probably correct in that statement.

The question we have before us at this particular time is whether or not we are going to lift the limitation of 75 percent which is contained in the Senate amendment.

Now, just as a matter of principle, I want to record myself as being in favor of lifting that 75-percent limitation, because, if the idea of parity has any validity at all, it ought to be parity instead of 75 percent of parity. [Applause.] I do not know where the 75-percent idea came from. It did not originate in this body. All we know of it is that it has come back from the Senate on three separate occasions. The substantive law which has been agreed to by this Congress in the Agricultural Adjustment Act of 1938 provides for full parity, and I know of no reason why we should put ourselves on record at any time, irrespective of the amount of the appropriation, for anything less than full parity.

Now, it is true that $212,000,000 will probably not give full parity on all of the basic commodities, but there is no reason why we should recede from that principle simply because the funds available will not provide parity. But there is another and even better reason, I think, why we should stand for 100 percent, and that is because it is the only way we can carry out the spirit of the act of 1938, which provided not only for parity prices but parity income. The outstanding feature of this provision in section 303 of the act of 1938 is that the farmer is entitled to parity income. Now, how does that apply here? In just this way, that, notwithstanding the fact that prices of some commodities may be above 75 percent of parity, yet the producers of these commodities may get less than 75 percent of parity income. For instance, this year the price of wheat is more than 75 percent of parity, yet, because of the fact that we have a short crop, individual producers of wheat are likely to fall far short of parity income even if the price should approach something like parity.

The act of 1938 provides for parity income as the yardstick. So if we put the limit on at 75 percent, that means that there are some commodities which are going to fall far short of parity income even if the price is high. So for this reason, in all fairness, I think we should support the amendment which has been offered by the gentleman from Missouri [Mr. CANNON], because that is the only way that we can deal fairly with all these commodities and give them their proportion, not of parity price, but of parity income.

It is no doubt true, as the gentleman from Georgia has said, that cotton will get less this year if we take the 75 percent limitation off than it did last year, but the reason for that is because the price of cotton is higher this year than it was last year. It does not mean that the individual cotton farmer is going to get less this year than he got last year, because in all probability he will get more in the way of net returns this year than he received last year. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, as has been stated by the gentleman from Texas [Mr. JONES], the chairman of the Committee on Agriculture, the Agricultural Adjustment Act contemplates parity, but it is also fair to say that the Agricultural Adjustment Act contemplates less than parity, because that act provides that payments should be made as nearly equal to parity price as the funds available will permit.

Mr. Speaker, for the past 2 years we have had parity appropriations, not for full parity, but for 75 percent of parity, as recommended by the President of the United States in his current Budget message. The concrete case before this body at this time is whether or not, for the temporary advantage of wheat, one agricultural commodity, we

are going to increase appropriations today to provide for 100-percent parity or for 75-percent parity. Such is the logical conclusion of the proponents of the Cannon amendment, but such is not the case in fact. For one I say that year in and year out I prefer 75-percent parity to no parity at all.

The plea that the Cannon amendment will provide parity is specious. It means a change in the formula that will increase for 1941 wheat payments $50,000,000 and decrease cotton payments to that extent. Neither will receive a parity price. In other words, the gentleman from Missouri states that he favors 100-percent parity rather than 75-percent parity. He does not intend to mislead, but all understand that the adoption of his amendment does not mean that wheat growers, or cotton growers, or corn growers will get 100-percent parity. It means that the $212,000,000 will be divided under a different formula and that cotton will receive fifty or sixty million dollars less than it would receive under the formula that was inserted in the Senate by the advocates of wheat 2 years ago when prices were different and when the 75 percent meant taking approximately four and a half or five million dollars from cotton and giving it to wheat in the 1939 payments for the 1938 crop, but no farmer will receive parity unless the market prices very materially increase, and then he will receive parity not as a result of parity payments but as a result of market prices.

Mr. Speaker, I am interested in all agriculture. We have a tariff on wheat, there is a tariff on corn products, but for the great body of cotton there is no tariff. We have provided for insurance for wheat and I have supported the program. It was contemplated in the original Agricultural Adjustment Act that customs duties should be utilized very largely for the benefit of those great crops of which we produce an exportable surplus, and those duties were utilized for cotton, largely, the first years of the program.

Now, Mr. Speaker, this provision of 75 percent was inserted, as all the parity payments we have made have been first inserted, by the Senate. We might as well understand that the provision was inserted in the Senate, as I understand at the instance of former Senator Pope, because it took from cotton in 1939, $5,000,000, and transferred it to wheat, and we cotton growers stood for that.

That same formula obtained and continued in the act for 1940. Under the pending amendment adopted in the Senate, the exact parity language that has obtained for the two preceding amendments is continued, and, if the motion to concur is adopted, it will mean that, temporarily, wheat's price next year or this year will be less, but the following year it may be more. It is the question of the yardstick—the same yardstick used in 1939, in 1940, and which will be used in 1941. If we propose to increase all parity payments from 75 percent to 100 percent, and if we propose to make that declaration good, we might as well understand that in the long run it will mean an increase over $212,000,000 for parity. So that I submit, in the interest of parity, in the interest of maintaining that program, that no product is discriminated against; that all get 75 percent, as they did in 1939 and in 1940, and as they will get in 1941, unless the prices rise; and, personally, I would like to see the price of wheat and of corn and of cotton, rice, and tobacco all go above parity. I would like to see the time come when we would not be called upon to make an appropriation for parities in order to give agriculture the equivalent of the benefits accorded to manufactures, for, after all, parity is nothing more or less than a tariff in reverse, and I maintain that the interest of agriculture will be promoted by no product that is above parity getting any subsidy; so that there is no change, nothing new in the Senate provision, because the motion proposed by the gentleman from Georgia is nothing more or less than a continuance of the parity payments made for the last 2 years, and I trust that the amendment of the gentleman from Missouri will be voted down and that the amendment of the gentleman from Georgia will prevail. [Applause.]

In extending I repeat that the Agricultural Adjustment Act of 1938 contemplated parity payments, but the amendment of the gentleman from Missouri does not mean the farmers are going to get parity prices for their commodities. His amendment to provide for a distribution on a basis of 100-percent parity rather than on a basis of 75 percent that has obtained in the two previous appropriations contemplates an increased appropriation to wheat in the year 1941, inasmuch as wheat is more nearly a parity price. Under the formula proposed by him therefore, in 1941, cotton will get something like fifty to sixty million dollars less and wheat and corn will get fifty to sixty million dollars more than they were under the provisions of the Senate amendment, which is the identical language that has obtained in parity payments for the years 1940 and 1939.

I have quoted from section 303 contemplating parity. It also contemplated less than parity. I have called especial attention to the fact that appropriations were contemplated which are as nearly equal to parity price as the funds so made available will permit.

Section 303 provides that funds made available shall be apportioned in proportion to the amount which each fails to reach the parity income unless otherwise provided by law. We therefore have the key and the reason for the 75-percent limitation in the present Senate amendment and in the preceding appropriation bills for 1940 and 1939.

Cotton, wheat, corn, tobacco, and rice were given equal treatment. It is now proposed to repeal the 75 percent and to insert 100 percent. The 75 percent was inserted at a time when the 100 percent would have meant more money to cotton and less money to wheat. This is particularly true for the 1939 payments. The 75 percent increased the wheat payments by something like four and a half million dollars. The formula was continued in 1940 for the crop of 1939. If the 100-percent formula had been adopted in the beginning, there would be no protest now by cotton; but having agreed to the 75 percent in the two previous appropriations, it is bad grace for wheat now to ask that the formula be changed for wheat's benefit. It may be that another year the 100-percent formula would be to the advantage of cotton. The point is that the advocates of agricultural relief should agree upon a definite yardstick and that that definite yardstick shall continue. If the 100 percent be agreed upon this year, it means that the farmers who have heretofore been told we can only appropriate for 75 percent will expect 100 percent, and it will mean an increase of appropriations, for there is no chance for farmers to get 100-percent parity without increased appropriations. I repeat to emphasize that the 100 percent has reference only to the formula, and for practical purposes it increases materially the appropriations for wheat and reduces materially the appropriations for cotton. Wheat will thus get more nearly a parity price than cotton and will get in addition thereto a large participation in the parity payments of $212,000,000 authorized. The net result of the elimination of 75 percent is a discrimination in favor of wheat.

I believe in justice to all agricultural commodities and to all agricultural products. If the yardstick in the two previous appropriations was fair and just, such a yardstick is fair in the pending appropriation.

Section 32 of the Agricultural Adjustment Act of 1935, otherwise declared unconstitutional by the Supreme Court, contemplated that about a third of the customs duties should be utilized for parity prices for cotton. There was a reason. Cotton enjoyed no tariff; it enjoyed no insurance; it was our principal export crop. Parity was intended to give to cotton the benefits that accrued to manufactured products.

I favor parities. The purpose of such payments is to give to unprotected agricultural commodities of which we produce an exportable surplus the equivalent benefits accorded to manufacturing by high tariffs. Cotton is and has been our chief export agricultural crop. A high tariff would be of no benefit, as the world price determines the price of cotton. I am not disturbed by the use of the word subsidy. The tariff is nothing more nor less than a subsidy to manufacturers. Parity is the tariff in reverse. I have advocated and I have proposed that customs duties be devoted to giving to cotton and to other similar crops the equivalent of the benefits accorded to manufactures by the high tariff. I believe in a

tariff for all or a tariff for none. If the high protective tariffs to manufactures are repealed, there will be no case for parities.

We hear much about the prosperity of industry, and we hear a great deal about adequate wages for labor. There is a fundamental principle underlying the progress and underlying the prosperity of both manufacturing and labor. There can be no prosperity for industry generally, and there can be no adequate payment of wages to labor until and unless farm prices and farm income are reasonable, for it is an admitted and fundamental principle that the farm dollar income is a ceiling above which factory labor's dollar income cannot rise.

Depressions are caused by reduced farm incomes. They are eliminated by increasing farm incomes. As long as farm incomes are inadequate there will be unemployment. There will be distress in manufacturing, and there will be inadequate wages. Whatever may be said with respect to the policies of Franklin D. Roosevelt, the President of the United States was everlastingly right at the beginning of his administration when he said that prosperity could not return to industry and labor until it first returned to the farmer. Parity or its equivalent is essential to prosperity for the farmer.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Speaker, the Agricultural Committee has been severely criticized. As I happen to be a member of that committee, I wish to make a few remarks in respect to it and to say that the criticism has been deserved. In fact, the trouble is, the committee should not have been named the Agricultural Committee, but it should be called the judiciary committee. Out of 25 Members we have one judge, and he is a good one, 14 lawyers, three bankers and merchants, three livestock brokers and ranchers, one agriculturist, one teacher, and then two honest-to-god dirt farmers, and one of these dirt farmers is the most conservative of us all.

What deception has been committed here in the name of the farmer. First, there is the measly $212,000,000, when it should be $7,500,000,000 as a minimum for the farmer if we want to give him 100-percent parity on all of his products and not only on 5. Then along come the cotton growers and tried to grab $120,000,000 of the $212,000,000, but they are not going to get away with that. May I say further, if you are sincere and honest, and want to balance the Budget, then you ought to sign Congressman MASSINGALE'S cost-of-production petition, up here at the Speaker's desk, and then you will show your sincerity and be on the square with the farmer and you will not have to continue these appropriations. Then the farmer will get this $7,500,000,000 that he is entitled to as a minimum fixed price. Since the Congress of the United States has in the past enacted 23 separate laws fixing the cost of production, that is the price for 23 different commodities for other industries; therefore, there can be nothing wrong in fixing a minimum price for the farmer for that part of his products sold on the American market and consumed here.

If you will do that, you will not be bothered with balancing the Budget. Then the farmer will bail out the Federal Government and we will not be bothered with a measly little $212,000,000. For that reason I say that we favor the Cannon amendment, and we are going to continue to make those I hear yelling "vote" pay the measly little amount of money they have agreed to pay, and give the farmer so-called parity on 5 of the 55 principal agricultural commodities. This whole agricultural program is a joke, a fraud, and deception—an alibi.

It is a silly argument to say that the farmer can exist by getting 75 cents every time that he pays out a dollar. That is adding insult to injury. We ask 100 percent parity on all agricultural products, and the Massingale cost-of-production bill will give him 100-percent parity. Then not 1 cent of money will be asked for in appropriations. He will get it through a price fixed on that part of the agricultural commodities we consume in the United States of America. Surely no intelligent man or woman, nor any honest man or woman would object to that. But there is this judiciary committee, called the Agricultural Committee, of which I am a member, that cannot see its way clear to give to the farmer what he is entitled to. In place of reporting out the Massingale bill, we keep fooling with this kind of fool stuff. We have been doing it for 7 years, and you will have to pay at least $212,000,000, and it will be a whole lot more unless you wake up and sign petition No. 5, which will give you the remedy. That will balance the Budget, that will give the farmer 100-percent parity for that part of his products consumed in the United States.

Every time the farmer asks for something, then we say that the Budget is busted and then that the Treasury is busted. Where was my friend from Virginia [Mr. WOODRUM], who is the head of this Committee on Appropriations, when we appropriated $2,800,000,000 for war, for the Army and the Navy? And what for? No nation wants to fight us. These battleships will be sunk before they are built, because the improvements in bombing airplanes will settle that situation. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Speaker, I would like to call the attention of the House to the fact that regardless of how it is distributed, there is only $212,000,000. I am glad that the farm program has made it possible that $212,000,000 allows us to approach parity on many of our agricultural products. The method prescribed in section 303 of the farm bill makes this appropriation possible. That is the authorization for this appropriation. By voting for the Cannon amendment you restore the original intent of Congress and provide fair and equitable distribution of the funds originally written into the farm bill. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from Alabama [Mr. JARMAN] such time as he may desire.

Mr. JARMAN. Mr. Speaker, this parity idea is very vital to the farmers of America. I am happy to believe that we are going to enact an appropriation for that purpose today.

As you know, the farmer on whom we must depend for our daily bread, for the clothes on our backs, and for the continuation of American economy on a stable basis, is the backbone of our country. Therefore, my natural interest in my friends and neighbors on the farm, as well as my love of my country, prompted me to leave my district at 7 o'clock on the morning following the primary election, before the vote was at all complete, in order to come up and vote for this conference report which has already passed, and, particularly, for this parity-payment amendment which is in disagreement, but which will become a law if passed by the House today and signed by the President. As I understand the parliamentary situation, this appropriations bill has now passed both the Senate and the House. This parity-payment amendment being in disagreement, but having been passed by the Senate, will become a law when we pass it today, assuming that we pass it in the same form in which it passed the Senate and that the President signs the bill. The same is true of the other amendments in disagreement.

In fact, I left my campaign 2 weeks ago and flew up to vote for the cotton-crop insurance bill, and in the hope that this conference report would come up the following day. Unfortunately, this did not occur, making it necessary for me to return to the district, but I was happy to come back to vote for parity payments.

The farmer has so long been compelled to buy on a protected market and sell in an open one, to pay the freight on what he ships as well as on what he receives, and to purchase at the other fellow's prices as well as have the prices on his products set by the purchaser rather than by himself, that American agriculture has reached a rather deplorable state. I want to help it in every way possible, and believe that desire is shared by the great majority of the Members of this body.

Before the World War, when the price of cotton was 12.4 cents per pound, a harrow cost $10.06. Today, with cotton selling for 9.75 cents per pound, this same harrow costs $19.75. If cotton had advanced in the same proportion, it would now be selling for 23 cents per pound, or, if farm implements had come down in proportion to cotton, the harrow would cost $8.50. Consequently, it is highly proper that at least a partial parity with the situation which existed before the war be created for the farmer by the Government. If he sinks, the whole country must fail; and we must not consider the possibility of permitting this greatest of all countries to fall from the pedestal on which it naturally rests or to deteriorate. On the other hand, we must not only maintain it in its present state but build it up, improve it, and carry it on to the fulfillment of its destiny as the leader among nations of the world. Nothing can contribute more toward that than prosperity for the farmer. [Applause.]

Mr. CANNON of Missouri. Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. ZIMMERMAN].

Mr. ZIMMERMAN. Mr. Speaker, in view of the small part of the national income which our farmers receive, and the fact that I have the honor to represent one of the finest agricultural districts in the Nation, I am deeply interested in seeing the House vote to appropriate the item of $212,000,000 for farm parity payments to supplement the income of our cotton, corn, wheat, rice, and tobacco farmers in 1941.

Conservatively speaking, over 30,000,000 of our people are engaged in and dependent upon agriculture for their livelihood. For over a half of a century we have supported a policy of protection for our manufacturing industries in order that they might prosper and, in turn, give employment to people in need of work at a living wage. During this administration we have passed legislation to put a floor under wages and a ceiling over the length of the workday of the American worker in order that he might better support himself and his family. I am glad to have had a part in passing this legislation and in giving this help to the great army of men and women dependent upon their daily toil for a livelihood.

The problem of the farmer has been more difficult. He purchases what he needs to support his family and to carry on his farming operations upon a protected market, but is compelled to sell his products upon a world market in competition with world prices. This situation left him with a diminished purchasing power which headed him to bankruptcy. Simple justice demanded that he, too, should have a partial degree of the Federal aid enjoyed by industry and labor.

In 1938, Congress passed the Agricultural Adjustment Act of 1938 and in section 303 of this act provided:

If and when appropriations are made therefor, the Secretary is authorized and directed to make payments to producers of corn, wheat, cotton, rice, or tobacco, on their normal production of such commodities in amounts which, together with the proceeds thereof, will provide a return to such producers which is as nearly equal to parity price as the funds so made available will permit. All funds available for such payments with respect to these commodities shall, unless otherwise provided by law, be apportioned to these commodities in proportion to the amount by which each fails to reach the parity income. Such payments shall be in addition to and not in substitution for any other payments authorized by law.

Mr. Speaker, the Cannon amendment seeks to carry out the provisions of this section and, if adopted, will, I believe, equally affect all commodities involved. The amount agreed upon by the conferees will not give the producers of these commodities parity but will materially augment the low income they now receive. I sincerely hope the gentleman's motion prevails and that the sum of $212,000,000 is made available for farm-parity payments in 1941. We cannot afford to desert the farmer at this time and until a permanent solution of his problem is worked out.

I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Missouri [Mr. CANNON] to concur in the Senate amendment with an amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 100: Page 85, line 11, insert:

"DISPOSAL OF SURPLUS COMMODITIES

"To enable the Secretary of Agriculture to further carry out the provisions of section 32, as amended, of the act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes,' approved August 24, 1935, and subject to all provisions of law relating to the expenditure of funds appropriated by such section, $85,000,000. Such sum shall be immediately available and shall be in addition to, and not in substitution for, other appropriations made by such section or for the purpose of such section: *Provided*, That not in excess of 25 percent of the funds herein made available may be devoted to any one agricultural commodity: *Provided further*, That said 25 percent provision and the like provision in said section 32, as amended, shall not apply to amounts devoted to a stamp plan for the removal of surplus agricultural commodities from funds made available hereby and by said section 32, and, notwithstanding expenditures under such stamp plan, the 25-percent provision shall continue to be calculated on the aggregate amount available hereunder and under said section 32."

Mr. CANNON of Missouri. Mr. Speaker, I offer a motion, which I send to the desk.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede from its disagreement to the amendment of the Senate No. 100 and agree to the same with an amendment, as follows: In lieu of the sum proposed in said amendment insert $72,678,812."

Mr. TARVER. Mr. Speaker, I offer a preferential motion, which I send to the desk.

The Clerk read as follows:

Mr. TARVER moves that the House recede from its disagreement to Senate amendment No. 100 and concur therein.

Mr. CANNON of Missouri. Mr. Speaker, I ask for a division of the question on receding and concurring.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. CANNON] demands a division of the question on receding and concurring in the Senate amendment.

Mr. CANNON of Missouri. Mr. Speaker, I shall yield 5 minutes to the gentleman from Georgia [Mr. TARVER] and then move the previous question, so that there will be no further debate on this question.

I yield 5 minutes to the gentleman from Georgia.

Mr. TARVER. Mr. Speaker, I am not sure that I understood the chairman clearly, but certainly we ought to have a little debate on an amendment involving $85,000,000. I trust it is not the purpose of the chairman not to yield to Members who may desire to discuss this question. The proposal of the chairman to concur in the Senate amendment with an amendment would reduce the amount of the Senate amendment from $85,000,000 to something over $72,000,000.

Mr. McCORMACK. Will the gentleman yield?

Mr. TARVER. I yield.

Mr. McCORMACK. I agree with the gentleman. Five minutes is not a reasonable period. The other day there was an hour on a small, minor amendment, and not one Member discussed the matter before the House.

Mr. TARVER. Of course, we should take all the time within the hour, if we need it, to discuss this matter; $85,000,000 is involved. Involving as much as it does to the people of the cities as well as to the farmers, we certainly should take sufficient time so that the Members of the House can know what it is all about.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. TARVER. I am sorry, but I am afraid I will not be able even to state the facts in the short time I have.

Mr. VOORHIS of California. I am very much in favor of the gentleman's motion.

Mr. TARVER. I thank the gentleman.

My proposal is to recede and concur in the Senate amendment, which would make the full amount of $85,000,000 available. The proposal of the chairman is to recede and concur with an amendment which would reduce the amount to something slightly in excess of $72,000,000, in accordance with the Budget estimate.

Under this year's appropriation bill we had for this purpose $113,000,000. So even the $85,000,000 proposed by the Senate involves a reduction of $28,000,000 and involves a very serious interference with the plan which is now being carried out so successfully by the Department of Agriculture. To my mind that is a plan which not only ought not to be restricted or diminished, but which ought to be increased, involving as it does the matter of distributing to the millions of people of this country who need them the surpluses of our agricultural commodities. It is more a plan for relief of distress in the cities than it is a farm plan although, of course, it does involve the getting rid of some surplus agricultural commodities.

I cannot conceive of any reasonable objection to at least approximating the appropriation that we have for the present fiscal year since it is universally recognized that this has been one of the most successful things undertaken by the Department of Agriculture.

I hope some of the Members of the House may have taken advantage of the invitation we all received recently to go down to the Department of Agriculture and watch this mattress making that is going on down there and that is being started throughout the country to enable low-income families to take this raw cotton and under instructions that are given them by those in charge of the program to make mattresses for themselves. Eventually it will be extended to include bed clothing, sheets, pillow slips, curtains, and other things of the sort. Of course the food-stamp plan is the most important thing now financed but the distribution of cotton and cotton goods will achieve equal importance.

It seems to me that instead of taking money out of the Public Treasury to pay subsidies for the export of cotton, for the export of wheat, and other things of that sort to cheapen living costs for foreign peoples we ought to take that money and use it to furnish the millions of people in this country who have not got enough of these things for their own use with a sufficient supply. There are millions of people in the cotton fields today making cotton getting less than the cost of production for cotton who have not got enough bed sheets, pillow slips, curtains, and other cotton goods.

A part of this money will go for the purpose of carrying on this mattress-making program and also for the distribution under section 32, paragraphs 2 and 3, of cotton goods among low-income families, not necessarily families that are on relief.

Mr. STEFAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from Georgia yield for a parliamentary inquiry?

Mr. TARVER. Gladly.

Mr. STEFAN. Has the time for discussion of this motion been limited to 5 minutes?

The SPEAKER pro tempore. No time limit has been fixed other than the hour to which the gentleman from Missouri is entitled under the rules of the House. The gentleman from Missouri, however, may move the previous question at any time.

Mr. TARVER. Under the rules of the House the gentleman from Missouri has 1 hour. He may, however, move the previous question at the end of 5 minutes, and that will close debate if the House sustains him. If the House does not sustain him there can be further discussion of this very important subject.

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

Mr. TARVER. I yield.

Mr. MAHON. Is not an overwhelming majority of the Members for this item of $85,000,000?

Mr. TARVER. I do not know what the position of the overwhelming majority of the Members may be. I think we ought to have sufficient time to discuss it.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.

Mr. Speaker, I agreed to recognize the gentleman from Pennsylvania [Mr. RICH] for 5 minutes. I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH]. At the close of that time I shall move the previous question.

Mr. SCHAFER of Wisconsin. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from Pennsylvania yield for a parliamentary inquiry?

Mr. RICH. Not if it is to be taken out of my time.

The SPEAKER pro tempore. It will be taken out of the gentleman's time if he yields.

Mr. SCHAFER of Wisconsin. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SCHAFER of Wisconsin. The gentleman from Missouri moved the previous question and did not withdraw the motion. It cannot be withdrawn except by unanimous consent. I make the point of order that it is out of order for the gentleman from Missouri now to yield time to the gentleman from Pennsylvania.

The SPEAKER pro tempore. The point of order is overruled.

The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. RICH. Mr. Speaker, I wonder whether the House of Representatives is in a frame of mind to go on with this legislation. You passed an amendment here a few minutes ago which covered not more than a line and a half of the printed report, yet it will cost the taxpayers of the country $212,000,000. The pending amendment takes 2½ lines and calls for a further expenditure of $85,000,000. Every time you put a line into this bill it costs $1,000,000, $100,000,000, or $200,000,000. The session this day seems more like a free-for-all rather than a deliberate law-making body of representatives of the American people.

What have you done at this session of Congress except to pass appropriation bills? You have not done anything else since you have been here this session. You have passed 11 departmental appropriation bills totaling at this time—and many not through the Senate as yet—$6,389,778,666.

You Members should mark well what I say. This is no time to be laughing and fooling, as you are today; this is serious. You have fooled around long enough. It is time you stopped and considered what you have done and what you are about to do. You are going in the red for the present year at the rate of $8,000 a minute. The debt from July 1, 1939, to May 7, as per the Treasury report, is $3,212,187,602.61. You are now close to the national-debt limit of $45,000,000,000. That does not seem to mean anything to a politician who is hunting votes.

If you appropriated the money direct to the farmers of this country you could get along with half the money you appropriate for agriculture which at this minute with all the amendments already added amounts to over $1,200,000,000. Think of it! Cut off the political leeches and it will not cost one-half as much, and the farmers will get more. It is just a racket, a New Deal racket.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. RICH. I decline to yield. I have not the time.

Mr. Speaker, the 11 appropriation bills you have passed total $6,389,000,000. The three supplemental and deficiency appropriation bills total $401,917,484. You will have a relief bill presently calling for an appropriation of a billion and a quarter dollars. You have had other estimated permanent appropriations amounting to $1,826,603,150, which makes a grand total of $9,743,299,300, with an estimated income for 1941 as given out by the President of $5,547,960,000. This shows, Mr. Speaker, that we have already appropriated $4,195,339,300 more than we will receive in 1941, and I again ask the question, Where are you going to get the money?

Who will pay the bill? Who will have the burden of New Deal extravagance? On coming generations or else bankruptcy.

It is very evident that we have a lot of Members in the House here who make light of that momentous question. It does not mean anything to them. But I want to say that if this Congress keeps on making appropriations without finding out where it is going to get the money to pay the bills, your children and your grandchildren are going to rue the day that the New Deal was born, because that Old Flag will not be waving over a free America but it will be waving over a communistic form of government over here. A terrible situation to face. It will wave over someone in this Nation who will take over the reins of government as a dictator, and conditions will be worse than what they are in Germany or other European countries at the present time. We cannot go on. You talk about stuffing $85,000,000 into cotton mattresses down here in the Department of Agriculture. You have stuffed, you have stuffed, and you have stuffed. We ought to stuff a lot of common sense into the membership of this House of Representatives so that we could restore confidence to the businessmen back home, to all the American people.

If we would just do that, they will put the 10,000,000 unemployed back to work. We have just about come to the parting of the ways in America. We cannot go on under the conditions in which we find ourselves at the present time.

We have had 7 long years of this enormous spending. You promised in 1932 you would economize. You promised you would reduce the Government expenditures 25 percent. You promised you would consolidate departments. What have you done? Not one promise fulfilled. You did just the opposite. Instead of an economical administration it is the greatest spending orgy of all time in all the world's history. Nothing ever has or probably never will approach it in extravagance, in efficiency, and in incompetence. A travesty on honest, competent statesmanship. A national debt that really staggers our people.

Where are you going to get this money?

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, the gentleman from Missouri [Mr. CANNON] has offered a motion to recede and concur with an amendment reducing the $85,000,000 to $72,000,000, which is approximately the amount of the Budget estimate. In addition to the $72,000,000 there will be available approximately $101,000,000 that is already available by reason of the 30 percent of the tariff receipts for the calendar year 1939. I wanted the Members of the House to know these facts before they voted on the pending motion. We should adopt the Cannon amendment.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. BOREN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BOREN. Under the present situation, if we vote "yea," we are voting for the full $85,000,000 for the stamp plan, is that correct?

The SPEAKER pro tempore. No; the gentleman is not correct. The Chair will endeavor to put the question in a form that will be clearly understood.

The question is on the motion of the gentleman from Missouri. A division having been demanded, the question is, Will the House recede from its disagreement to the Senate amendment?

Mr. BOREN. The question of concurrence is not before the House?

The SPEAKER pro tempore. That is not yet presented. The question is on the motion to recede.

The motion was agreed to.

Mr. CANNON of Missouri. Mr. Speaker, I offer a motion which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House concur in the amendment of the Senate numbered 100 with an amendment as follows: "In lieu of sum proposed in said amendment, insert '$72,678,812.'"

Mr. CANNON of Missouri. Mr. Speaker, this merely reduces the amount to the Budget estimate. There seems to be such unanimity of opinion on the amendment that I will move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri.

Mr. TARVER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. TARVER. If the amendment of the gentleman from Missouri [Mr. CANNON] is rejected, the House will then have an opportunity to vote on whether or not it will concur in the Senate figure of $85,000,000?

The SPEAKER pro tempore. The gentleman is correct.

Mr. CANNON of Missouri. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CANNON of Missouri. As I understand it, a vote for the amendment is a vote for the Budget estimate and a vote against the amendment would be a vote against the Budget estimate.

The SPEAKER pro tempore. The Chair may say that is what the gentleman's statement would be.

The question is on the motion offered by the gentleman from Missouri [Mr. CANNON].

The question was taken; and on a division there were—yeas 131, noes 137.

Mr. CANNON of Missouri. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 173, nays 191, answered "present" 6, not voting 60, as follows:

[Roll No. 104]

YEAS—173

Allen, Ill.	Dworshak	Kerr	Romjue
Allen, Pa.	Eaton	Kilburn	Routzohn
Andersen, H. Carl	Elston	Kinzer	Rutherford
Anderson, Mo.	Engel	Knutson	Sandager
Andresen, A. H.	Englebright	Kocialkowski	Satterfield
Andrews	Evans	Kunkel	Schiffler
Arends	Faddis	Lambertson	Seccombe
Austin	Fish	Lewis, Colo.	Seger
Ball	Ford, Leland M.	Lewis, Ohio	Shannon
Barton, N. Y.	Gamble	Ludlow	Short
Bates, Mass.	Gartner	McAndrews	Simpson
Bell	Gifford	McDowell	Smith, Ohio
Bender	Gillie	McGregor	Smith, Va.
Blackney	Gore	McLean	Snyder
Bland	Graham	Martin, Mass.	South
Bolles	Grant, Ind.	Mason	Spence
Bolton	Gross	May	Springer
Bradley, Mich.	Guyer, Kans.	Michener	Stearns, N. H.
Brewster	Gwynne	Miller	Sumner, Ill.
Brown, Ohio	Hall, Edwin A.	Monkiewicz	Sweet
Burch	Hall, Leonard W.	Moser	Taber
Cannon, Mo.	Hancock	Murray	Talle
Carlson	Hart	Nelson	Thill
Carter	Harter, N. Y.	Nichols	Thorkelson
Chapman	Hartley	O'Brien	Tinkham
Chiperfield	Hawks	O'Leary	Treadway
Church	Hennings	O'Neal	Vorys, Ohio
Clason	Hess	Osmers	Vreeland
Clevenger	Hinshaw	Pfeifer	Wadsworth
Cluett	Hoffman	Pierce	Wheat
Cochran	Holmes	Plumley	Whittington
Coffee, Nebr.	Hope	Polk	Wigglesworth
Cole, N. Y.	Horton	Powers	Williams, Del.
Costello	Jeffries	Rayburn	Williams, Mo.
Crawford	Jenkins, Ohio	Reece, Tenn.	Winter
Creal	Jenks, N. H.	Reed, Ill.	Wolcott
Crowther	Johns	Reed, N. Y.	Wolfenden, Pa.
Culkin	Johnson, Ill.	Rees, Kans.	Wolverton, N. J.
Curtis	Johnson, Ind.	Risk	Woodruff, Mich.
Dirksen	Johnson, W. Va.	Robertson	Woodrum, Va.
Ditter	Jones, Ohio	Robsion, Ky.	Youngdahl
Dondero	Jonkman	Rockefeller	
Drewry	Kean	Rodgers, Pa.	
Duncan	Keefe	Rogers, Mass.	

NAYS—191

Alexander	Barry	Boren	Bryson
Allen, La.	Bates, Ky.	Boykin	Buck
Angell	Beam	Bradley, Pa.	Buckler, Minn.
Arnold	Beckworth	Brooks	Buckley, N. Y.
Barnes	Boland	Brown, Ga.	Burdick

Byrns, Tenn.	Gathings	Lesinski	Richards
Byron	Gavagan	Lynch	Robinson, Utah
Camp	Gearhart	McArdle	Ryan
Cannon, Fla.	Gehrmann	McCormack	Sabath
Cartwright	Gerlach	McGehee	Sacks
Casey, Mass.	Geyer, Calif.	McGranery	Sasscer
Clark	Gibbs	McKeough	Schaefer, Ill.
Cole, Md.	Goodwin	McLaughlin	Schafer, Wis.
Collins	Gossett	McMillan, John L.	Schuetz
Colmer	Grant, Ala.	Maciejewski	Schwert
Connery	Gregory	Magnuson	Scrugham
Cooper	Griffith	Mahon	Shanley
Corbett	Harrington	Maloney	Sheppard
Courtney	Havenner	Mansfield	Sheridan
Cravens	Healey	Marcantonio	Smith, Conn.
Crosser	Hill	Martin, Ill.	Smith, Ill.
Crowe	Hobbs	Martin, Iowa	Smith, Wash.
Cullen	Hook	Massingale	Somers, N. Y.
D'Alesandro	Houston	Mills, Ark.	Sparkman
Davis	Hull	Mills, La.	Starnes, Ala.
Delaney	Hunter	Monroney	Stefan
Dempsey	Izac	Mouton	Sullivan
DeRouen	Jarman	Murdock, Ariz.	Sutphin
Dies	Johnson, Luther A.	Murdock, Utah	Tarver
Dingell	Johnson, Lyndon	Myers	Terry
Disney	Johnson, Okla.	Norrell	Thomas, Tex.
Doxey	Jones, Tex.	O'Connor	Thomason
Eberharter	Kee	O'Day	Tibbott
Edelstein	Kefauver	Oliver	Tolan
Elliott	Keller	O'Toole	Van Zandt
Ellis	Kelly	Pace	Vincent, Ky.
Fay	Kennedy, Martin	Parsons	Vinson, Ga.
Fenton	Kennedy, Michael	Patman	Voorhis, Calif.
Ferguson	Keogh	Patrick	Wallgren
Fernandez	Kilday	Patton	Walter
Fitzpatrick	Kitchens	Pearson	Ward
Flaherty	Kleberg	Peterson, Fla.	Warren
Flannagan	Lanham	Peterson, Ga.	Welch
Flannery	Larrabee	Pittenger	West
Ford, Miss.	Lea	Poage	White, Idaho
Ford, Thomas F.	Leavy	Rabaut	Wood
Fulmer	LeCompte	Ramspeck	Zimmerman
Garrett	Lemke	Rankin	

ANSWERED "PRESENT"—6

Anderson, Calif.	Jensen	Mundt	Rich
Case, S. Dak.	Luce		

NOT VOTING—60

Barden, N. C.	Dickstein	Jacobsen	Randolph
Bloom	Doughton	Jarrett	Rogers, Okla.
Boehne	Douglas	Jennings	Schulte
Bulwinkle	Dunn	Kennedy, Md.	Secrest
Burgin	Durham	Kirwan	Shafer, Mich.
Byrne, N. Y.	Edmiston	Kramer	Smith, W. Va.
Caldwell	Folger	Landis	Steagall
Celler	Fries	McLeod	Sumners, Tex.
Claypool	Gilchrist	McMillan, Clara	Sweeney
Coffee, Wash.	Green	Maas	Taylor
Cooley	Halleck	Marshall	Tenerowicz
Cox	Hare	Merritt	Thomas, N. J.
Cummings	Harness	Mitchell	Weaver
Darden, Va.	Harter, Ohio	Mott	Whelchel
Darrow	Hendricks	Norton	White, Ohio

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Luce (for) with Mr. Steagall (against).
Mr. Darrow (for) with Mr. Case of South Dakota (against).
Mr. Harness (for) with Mr. Anderson of California (against).
Mr. Thomas of New Jersey (for) with Mr. Mundt (against).
Mr. McLeod (for) with Mr. Hare (against).
Mr. Halleck (for) with Mr. Jacobsen (against).
Mr. Jarrett (for) with Mrs. Clara G. McMillan (against).
Mr. Marshall (for) with Mr. Barden of North Carolina (against).
Mr. Douglas (for) with Mr. Jensen (against).
Mr. Mass (for) with Mr. Burgin (against).
Mr. Jennings (for) with Mr. Kirwan (against).

General pairs:

Mr. Darden of Virginia with Mr. White of Ohio.
Mr. Green with Mr. Landis.
Mr. Buulwinkle with Mr. Mott.
Mr. Caldwell with Mr. Gilchrist.
Mr. Cooley with Mr. Shafer of Michigan.
Mr. Cox with Mr. Rich.
Mr. Doughton with Mr. Sweeney.
Mr. Cummings with Mrs. Norton.
Mr. Bloom with Mr. Schulte.
Mr. Folger with Mr. Harter of Ohio.
Mr. Weaver with Mr. Hendricks.
Mr. Mitchell with Mr. Celler.
Mr. Boehne with Mr. Rogers of Oklahoma.
Mr. Durham with Mr. Edmiston.
Mr. Byrne of New York with Mr. Claypool.
Mr. Tenerowicz with Mr. Kramer.
Mr. Merritt with Mr. Coffee of Washington.
Mr. Dickstein with Mr. Kennedy of Maryland.
Mr. Sumners of Texas with Mr. Secrest.
Mr. Dunn with Mr. Fries.
Mr. Taylor with Mr. Whelchel.

Mr. RABAUT, Mr. CARTWRIGHT, Mr. LARRABEE, and Mr. RYAN changed their votes from "yea" to "nay."

Mr. RICH. Mr. Speaker, I withdraw my vote of "yea." I cannot fleece the Treasury any more. I vote "present."

Mr. CASE of South Dakota. Mr. Speaker, on this vote I voted "nay." I have a pair with the gentleman from Pennsylvania, Mr. DARROW. He would have voted "yea" if he were present. Therefore I withdraw my vote and vote "present."

Mr. ANDERSON of California. Mr. Speaker, on this vote I voted "nay." I have a live pair with the gentleman from Indiana, Mr. HARNESS. I withdraw my vote and vote "present."

Mr. MUNDT. Mr. Speaker, I have a pair with the gentleman from New Jersey, Mr. THOMAS. I voted "nay." I withdraw my vote and vote "present."

Mr. LUCE. Mr. Speaker, I am paired with the gentleman from Alabama, Mr. STEAGALL. If he were present, he would have voted "nay." I voted "yea." I withdraw my vote and ask to be recorded as "present."

Mr. JENSEN. Mr. Speaker, I voted "nay." I have a pair with the gentleman from New York, Mr. DOUGLAS. I therefore withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. COOPER). The question now recurs on the motion of the gentleman from Georgia [Mr. TARVER] to concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 101.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that Senate amendment No. 103 be considered first.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman tell us to what amendment No. 103 refers?

Mr. CANNON of Missouri. Amendment No. 103 provides for the loan funds. Amendment No. 102 provides for the administrative expense. We will not be in a position to act on amendment No. 102 until action is taken on amendment No. 103.

Mr. MARTIN of Massachusetts. The gentleman does not believe you are going to cut anything down to the Budget estimate, does he?

Mr. TARVER. Reserving the right to object, Mr. Speaker, if these amendments are to be considered out of order at all, amendments Nos. 101, 102, 103 ought to be considered and voted on together, since all of them involve the same subject. I shall object to the gentleman's request unless it is a request to consider these three amendments together.

The SPEAKER pro tempore. Objection is heard.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to consider amendments Nos. 101, 102, and 103 together.

Mr. MARTIN of Masssachusetts, Mr. TABER, and Mr. RICH objected.

Mr. CANNON of Missouri. Mr. Speaker, I believe we could dispose of this amendment with 15 minutes' debate on a side. We can then dispose of the remainder of the amendments largely without debate. This ought to require not more than an hour or an hour and 15 minutes. It is important that we get through tonight because we have a program for tomorrow and it would be inconvenient to go over until next week. If we stay an hour or an hour and 15 minutes we can complete the consideration of all amendments.

Mr. TABER. It will take us until 10 o'clock to finish anyway, there is no question about that.

Mr. TARVER. You will not get through by 10 o'clock. There are several other important amendments. When you talk about items appropriating $50,000,000 or $40,000,000, the idea of disposing of them in 15 minutes is ridiculous.

Mr. PLUMLEY. Mr. Speaker, I move that the House do now adjourn.

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

The question was taken; and on a division (demanded by Mr. PLUMLEY) there were—ayes 119, noes 133.

Mr. PLUMLEY. Mr. Speaker, on this vote I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. PLUMLEY and Mr. CANNON of Missouri.

The House again divided; and the tellers reported that there were—ayes 125, noes 145.

So the motion to adjourn was rejected.

Mr. CANNON of Missouri. Mr. Speaker, I wonder if it would be agreeable to my colleagues at the other table to agree, say, to 15 minutes on the side on this amendment.

Mr. LAMBERTSON. Mr. Speaker, I do not think the psychology of the House is in favor of economy, and I think we ought to adjourn. I do not think we ought to stay here longer.

Mr. RAYBURN. We are not going to vote for a motion to adjourn that comes from that side, and you might just as well understand that. If we may be allowed to transact enough business in order that the gentleman from Missouri may make a motion to adjourn, that is one thing, but we are not going to adopt a motion to adjourn that comes from that side. [Applause.]

Mr. LAMBERTSON. Mr. Speaker, the next amendment involves $40,000,000 or $60,000,000, and it is perfectly ridiculous, in the opinion of thinking men, when they are sober, to think that this is a time to take 10 minutes to pass on such a matter. Let a Democrat move to adjourn then.

Mr. RAYBURN. We will, at the proper time, but we do not care to be lectured by the gentleman from Kansas.

Mr. LAMBERTSON. We would like to have 20 minutes on this side at least.

Mr. RAYBURN. The gentleman from Missouri is trying to arrive at a unanimous-consent agreement to have debate on this matter. I presume if the gentleman asks for 15 minutes on the side, and it is objected to, he will ask for more time, if he is allowed to ask it without all these superfluous interruptions.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand from the gentleman from Missouri that if we agree to 20 minutes on the side we can then adjourn and take up the question at the next opportunity.

Mr. RAYBURN. The gentleman from Missouri is perfectly willing to agree to 20 minutes on the side, I am sure.

Mr. CANNON of Missouri. It will be satisfactory, I am certain, to have an additional 5 minutes on the side and, unless there is objection, Mr. Speaker, I will yield for 20 minutes on the side on this amendment. We want to agree upon a time that is satisfactory to my friends on the other side of the aisle.

The SPEAKER pro tempore. Permit the Chair to inquire of the gentleman from Missouri, when the motion to adjourn was made, as the Chair understands it, amendment No. 101 was before the House.

Mr. CANNON of Missouri. That is correct.

The SPEAKER pro tempore. Is that the amendment on which a limitation on debate is sought?

Mr. CANNON of Missouri. We expect to take them all up together or we would like to take up 103 in advance when consideration is resumed.

Mr. MARTIN of Massachusetts. The gentleman does not intend to press for a vote tonight?

Mr. CANNON of Missouri. No; that is not anticipated.

Mr. TABER. Mr. Speaker, will the gentleman yield to me momentarily?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. TABER. Would it not be best to have all the debate on this proposition at this time and then vote in a couple of days?

Mr. RAYBURN. We are not going to have any debate on it, if we arrive at an agreement as to time for debate.

Mr. TABER. If that is the situation, I think we would be perfectly happy if there is 20 minutes on the side on the tenancy question and then vote whenever the leadership desires to bring it up.

Mr. CANNON of Missouri. I think that would be satisfactory.

The SPEAKER pro tempore. Permit the Chair to again inquire of the gentleman from Missouri on what he is endeavoring to limit debate?

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take up for consideration before the other amendments amendment No. 103.

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

Mr. TARVER. Mr. Speaker, I reserve the right to object. Does the gentleman mean to take that up this evening?

Mr. CANNON of Missouri. No. We do not expect to take it up this evening, but when we return to the bill we would like to take up first amendment numbered 103.

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

Mr. DINGELL. Mr. Speaker, I reserve the right to object, to know whether the vote will be taken tomorrow or tonight.

Mr. RAYBURN. It will not be taken tomorrow or tonight. This bill will not be under consideration tomorrow.

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

There was no objection.

The SPEAKER pro tempore. The Clerk will report amendment numbered 103.

The Clerk read as follows:

Page 88, line 4, insert a new paragraph, as follows:

"Loans: For loans in accordance with title I of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937 (7 U. S. C. 1000–1006), $50,000,000, which sum shall be borrowed from the Reconstruction Finance Corporation at an interest rate of 3 percent per annum; and the Reconstruction Finance Corporation is hereby authorized and directed to lend such sum to the Secretary of Agriculture, who shall make repayment thereof out of all moneys collected by him representing payments of principal and interest on the loans made out of the funds so borrowed, and the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions hereof: *Provided, however,* That the Secretary of the Treasury is authorized, when requested by the Federal Loan Administrator, to pay to the Reconstruction Finance Corporation from funds not otherwise appropriated an amount equal to the unpaid principal amount of the loans made hereunder, together with the interest accrued and unpaid thereon, and thereafter any sums repaid on account of said loans shall forthwith be covered into the general fund of the Treasury."

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a table.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a table.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an address made by my colleague from Virginia [Mr. SMITH].

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an article about the Philippine Volunteers.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. TARVER. Mr. Speaker, I ask unanimous consent to extend my remarks by including therein a motion which I expect to offer to the pending amendment.

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

Mr. CANNON of Missouri. Mr. Speaker, reserving the right to object, and I shall not object, the amendment is offered, I take it, as an extension of remarks.

Mr. TARVER. Mr. Speaker, as I understand it, the House has reached this amendment in its consideration of this conference report, and I am seeking to offer a preferential motion which I understand I have the right to do, and I do so for printing in the RECORD at this point.

The SPEAKER pro tempore. The Chair recognized the gentleman from Georgia with the understanding that he was offering a motion for the information of the House, to be printed in the RECORD.

Mr. TARVER. That is right—for information; but at the same time it is a motion which I desire printed in the RECORD at this point. If the gentleman from Missouri desires to object to that, let it go out. I want it in for the information of the House.

The motion referred to is as follows:

Mr. TARVER moves that the House recede from its disagreement to Senate amendment No. 103 and concur therein with an amendment as follows: After the words in line 8, on page 88, "an interest rate of 3 percent per annum", strike out the semicolon and insert: "and which sum shall not be used for making loans under the terms of said act for the purchase of farms of greater value than the average farm unit in the county, parish, or locality in which such purchase may be made."

The SPEAKER pro tempore. Of course, the motion is offered for the purpose of information only.

ORDER OF BUSINESS

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

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RAYBURN. Mr. Speaker, it was hoped, of course, that with one serious controversy in the bill we might complete the bill this afternoon, but when an amendment was adopted that some people did not like, then they wanted to take more time on other parts of the bill.

Of course, I did not vote for the motion of the gentleman from Vermont [Mr. PLUMLEY] to adjourn, and I would not have voted for a motion to adjourn made by anybody else on the minority side, because I do not think it is quite their business.

However, I took the floor to say that this bill will certainly not be under consideration tomorrow, because I have been under promise that during the week those gentlemen who are interested in the so-called world's fair resolutions might have them considered. So they will be taken up tomorrow.

I understand the gentleman from Mississippi [Mr. RANKIN] intends to exercise his right under the discharge petition on Monday. It is also District of Columbia day. So the announcement may be made definitely that this bill will not be before the House again before Tuesday.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HARE, indefinitely, on account of illness.

To Mr. DUNN, for several days, on account of illness.

EXTENSION OF REMARKS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a brief article appearing in the Sunday Evening Star of April 28.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an address by the late Congressman Smith.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

By unanimous consent Mr. BENDER was granted permission to extend his own remarks in the RECORD.

Mr. MOUTON. Mr. Speaker, I ask unanimous consent to insert in the CONGRESSIONAL RECORD a letter received from a constituent, a prominent young lawyer, from Franklin, La., Mr. John M. Caffery, Jr., giving his views concerning the situation confronting our domestic sugar industry.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter from a constituent of mine and a short article from the Escanaba Daily Press.

The SPEAKER pro tempore. Without objection, it is so ordered.

By unanimous consent Mr. HARRINGTON was granted permission to extend his own remarks in the RECORD.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to add a telegram from the Minnesota Federation of Labor regarding the bill S. 2009, in addition to those for which I have already obtained permission this afternoon.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MILLS of Louisiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain information dealing with the F. H. A. loans in Louisiana.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Michigan [Mr. CRAWFORD] is recognized for 10 minutes.

Mr. CRAWFORD. Mr. Speaker, the Inter-American Financial and Economic Advisory Committee has within the last few days released to the 21 American republics a revised copy of the convention charter and bylaws for the inter-American bank.

I ask unanimous consent to include in my remarks this revised copy.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE UNITED STATES-MEXICO PROMOTED INTER-AMERICAN BANK

Mr. CRAWFORD. Mr. Speaker, at the inaugural meeting of the Inter-American Financial and Economic Advisory Committee held in Washington November 15, 1939,[1] Acting Secretary of State Sumner Welles made an address in which he stated:

The committee is called upon to make a continuous effort gradually to create conditions, or perhaps even institutions, which will enlarge and stabilize economic and financial dealings between the American peoples. * * * There exists in this hemisphere a large potential amount of capital available for that kind of employment which offers a sufficiently assured reward.

In this obvious allusion by Mr. Welles to the Mexican proposal for an inter-American bank the Acting Secretary of State, with becoming diplomatic reticence, omitted explaining how it happens that the "large potential amount of capital available" has not long since sought or found in Latin America "a sufficiently assured award." The answer to the implied conundrum is simplified by Mexican acts and conduct. This "partner" government has stolen more American property than any other government in the history of our Nation,

[1] On November 15, 1939, the Havas News Agency reported on a similar meeting at Guatemala City as follows:

"A Mexican plan for an inter-American 'central bank' with United States support emerged tonight as the probable key proposal to be placed before the conference of American Treasury representatives here. * * *

"The proposal for an inter-American bank was made by Eduardo Villasenor, Mexican finance undersecretary, before the committee on banking policy.

"Today the banking policy committee met in joint session with the committee on monetary policy to discuss the scheme. The third committee, on exchange, is also expected to discuss the subject, thus placing the proposal before all the delegates.

"The banking committee tonight decided to recommend to the conference that the central bank proposal be sent to Washington for consideration by the Pan American committee of economic experts now meeting there."

yet its scheme to finance this steal appears to have been sponsored by high officials of our Government.

Recently there was added to the capital structure of the Export-Import Bank an additional $100,000,000 (in the name of a Finnish loan). This addition doubled the capital of that institution.

Despite the $200,000,000 Export-Import Bank's activities with public funds, some persons feel that this country is not doing all that the resources of its people make possible. The Export-Import Bank makes intermediate-term and long-term loans in connection with American exports. However, according to a careful and impartial student of the Export-Import Bank, Prof. Charles R. Whittlesey, of Princeton University, "the bank is clearly in a strategic position to serve domestic and foreign politics."[2] Yet, seemingly, something grander was required to meet the desires of the promoters, so the Mexican proposal for establishment of an international bank under joint sponsorship with the United States was adopted at the meeting of the Inter-American Financial and Economic Advisory Committee.

If a single instrumentality like the Export-Import Bank is considered a political institution, what can we expect of an intergovernmental bank—especially when the chief contributor is, at the slightest provocation, described as an imperialist?

Even the most credulous cannot believe that the loan of public funds will be secure because guaranteed by certain governments concerned. The Mexican Government's promises are utterly and notoriously worthless. Why would its word on a debt owed to an intergovernment bank be better than it has been on debts owed to private Americans? I see no controlling reason why it would. The temptation to default when necessary will prove greater than ever before.[3]

The answer to the Under Secretary of State is also to be found in Latin America's record of defaults on American-owned bonds, as well as in confiscation. While some Latin American securities are not in default, Commerce Department statistics on the subject are highly informative in relation to the hesitancy of private capital when it comes to investments in Latin America as a whole.

The Department of Commerce in 1939 reported that, as of the end of 1938, the ratio of defaults to investments in Central America was 91.5 percent, and in South America, 70 percent. The corresponding ratio for Europe was 49.7 percent; West Indies, 14 percent; Asia, 4 percent; and Canada, 2.6 percent. The ratios took no account of "certain Mexican, Russian, and Chinese issues long in default as to both principal and interest." In the words of the editors of the New York Journal of Commerce:

> It will necessarily be a long time, in view of the experience of the past 10 years, before most Latin American countries could seriously consider the public flotation of their bonds in this market again.[4]

But the Mexican-United States-promoted inter-American bank is authorized, if Congress grants its charter, to receive deposits[5] and to sell debentures in the United States. The scheme is therefore designed to accomplish indirectly what cannot be done directly.

Since prudence prevents the direct investment of private American capital in certain countries in Latin America—notably Mexico—those who think our national wealth enables us to buy friendship have encouraged Latin American efforts to obtain more American capital via sympathetic official channels.

THE VENERABLE MEXICAN PLAN

It has been officially asserted that the inter-American bank plan is an idea half a century old. According to the Chief of the Division of American Republics of the State Department, "such an institution has been under study for 50 years."[6] While an inter-American bank may have been recommended half a century ago, to assert that it has been under study for 50 years without presenting proof is a bit of a strain on public credulity. Mexico's part in the bringing forth of the present scheme as outlined with documentary evidence in the CONGRESSIONAL RECORD of April 4, 1940, has not been denied. If 50 years' study is required to bring out the merits of a financial proposal, there must be a vast array of demerits.

THE COOPERATIVE DRESS

In its proposed form, it is said that all participating governments will have a stake in the bank's loans. That some Latin-American governments filed objections to the first draft of the proposal because they could not readily raise the subscription money is not at all surprising. Some did not even bother to reply to the first effort of the Inter-American Committee to get the bank project approved. But, after all, if countries want dollar credit and hope to get it through the inter-American bank, is it not unreasonable to expect them to pay in the capital before even the bank comes into being? Even before essential capital is raised, the obligations of the "institution" may be purchased by the Reconstruction Finance Corporation or sold to the public.[7]

Under the revised plan of April 8, 1940, the burden of initial subscription is made easy through a provision spreading over a 4-year period payment for shares in the bank. Once the bank comes into being, if it makes loans to or supports foreign exchange of subscriber Latin countries, such loans will in effect pay subscription installments.

Imagine a situation in your home community where the borrowers controlled the affairs of a special public municipal bank, a voice made possible by unpaid-for shares in the bank. Would it not be interesting to sit in on a directors' meeting in such a bank at a time when the lending policy was being decided?

The United States is the richest country in the pan-American area. Among the others, Argentina at least is in a position to do something for neighbor countries. Yet it is a conspicuous fact that Argentina will have nothing to do with the bank. At Guatemala, Argentina's representatives, as well as those of other countries, exhibited conspicuous coolness to the idea, and to date most of the Latin American countries

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[2] Five years of the Export-Import Bank, in the American Economic Review, September 1939.

[3] Montevideo, December 4, 1933: A proposal for an inter-American system of money and banking was made to the Seventh Pan-American Conference today by Dr. Jose M. Puig Casauranc, Foreign Minister of Mexico.

The Mexican diplomat suggested that a central banking house be established which would have supervision over a series of central banks. At the same time he advocated the establishment of a pan-American currency, backed in part by silver, and established on the basis of commodity price levels.

He also revealed the intention of Mexico to sponsor a 6-to-10-year all-American moratorium on public and private debts.

[4] New York Journal of Commerce, April 8, 1940.

[5] "Authority for the Treasury, and possibly the Reconstruction Finance Corporation, to place some of their funds on deposit with the bank is now being drafted by State Department and Treasury experts as part of the enabling legislation. These deposits would be over and above the $5,000,000 which the United States must pay for participation in the bank" (Wall Street Journal, April 24, 1940).

[6] The Evening Star, Washington, April 16, 1940, reporting a Nation-wide radio broadcast by Mr. Laurence A. Duggan.

NOTE.—This scheme to tap public funds in the United States was to have been heartily approved by a majority of the 21 American republics April 14, 1940.

[7] Debenture issues are envisaged by section 5B, 6, of the bylaws, which will permit the bank to "issue or sell debentures and other securities and obligations of the bank to obtain assets for the purposes of the bank, provided that such debentures and other securities and obligations shall not be issued or sold by the bank in the territory of any participating government which makes a timely objection. The bank may also borrow in any other manner from participating governments and from political subdivisions and banking institutions thereof unless the government of the lender makes timely objection."

Even without the precautionary provisos, section 5B, 6, cited, clearly seems to envisage borrowing by the bank in the United States, either from the general American investing public or from United States Government agencies. According to the Chilean delegate who participated in the framing of this section of the bylaws, Señor Carlos Davila, as quoted in paraphrase by Mr. Leon Pearson in the Washington Times-Herald last February:

"American capital, now frightened by the twin bogeys of confiscation and default, will not hesitate to invest in Latin America through the protective aegis of the bank. That is, the Americans will buy debentures of the bank as an investment, and this capital, protected by the guaranty of 21 governments, including the United States, will be invested by the bank in new enterprises in Latin America."

have not even acknowledged receipt of the Inter-American Committee's proposal. Even a smaller country, like Guatemala, has remained aloof.

THE BANK AND SILVER

The close relationship of the bank proposal and silver in the eyes of the Mexican fathers of the plan was clearly revealed in the CONGRESSIONAL RECORD of April 4, 1940, and therefore it need not be repeated here.[8] In this connection it is sufficient to note that one of the purposes of the bank set forth in the proposed bylaws, section 5A, is "to promote the use and distribution of silver." In view of the strong vote by the Senate Banking and Currency Committee on March 20, 1940, to discontinue, after nearly 6 years of failure, the program of buying foreign silver, it would be inconsistent, to say the least, for the Government of the United States now to contribute funds to a bank for the support of Mexico.

No less interesting is the fact that the proposed bylaws contain a provision—section 3J—that section 5A, quoted above, "may not be amended."

Notwithstanding the foregoing facts, our State Department on March 13, 1940, advised the Chairman of the Inter-American Financial and Economic Advisory Committee that—

> The Government of the United States * * * is prepared to sign the proposed convention * * *.

This was the first approval to be received from any government.

IF CONGRESS DOES NOT APPROVE?

Advocates of the bank state that Congress will approve the bank project when the convention comes to the Senate for ratification; that the charter by such ratification will be approved by Congress; and that the funds for the American shares in the bank will automatically be authorized. Others point out that if Congress does not act, there are ways to begin the scheme without the approval of Congress. The R. F. C. or the Export-Import Bank could supply funds. It has also been reported that State and Treasury Departments have been considering a novel way to use the Treasury's $2,000,000,000 stabilization fund.

Whatever the scheme and irrespective of official promotion, Congress should have ample opportunity to consider it, particularly so if in operation it is or is likely to be used as an international political instrumentality.

As I have previously pointed out, if it is the intention of the administration first to have the convention ratified by the Senate and, in addition, have the necessary bills introduced so that the two Houses of Congress may have their respective committees hold public hearings on the matters of granting the bank a charter and to authorize the participation of our Federal Government in the capital structure of the bank, well and good. For the bills to be handled in such a manner that the House and Senate committees be not given the opportunity for full public hearings will not provide ample opportunity for a full discussion of the proposal.

When we appraise the vastness of this undertaking, and the delicate situation which now governs between the United States and Mexico, we can well afford to let our people know more about this scheme before its full acceptance by the Congress.

If it be true that under date of March 13, 1940, the Secretary of State did notify the Chairman of the Inter-American Committee that the Government of the United States, not finding any fundamental objection, was prepared to sign the convention on April 14, 1940, I am wondering to what extent our Government has already been committed? I do trust that before we are committed further the Congress may have something to say about the matter. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Illinois. Mr. Speaker, I ask unanimous consent that on Tuesday next, after the disposition of the legislative program for the day and other special orders which may have been entered, I may address the House for 25 minutes on the subject The American Farmer.

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

There was no objection.

COTTON-CROP INSURANCE

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SPARKMAN. Mr. Speaker, it is, indeed, to be regretted that the President saw fit to veto the bill seeking to extend crop insurance to cover cotton. To the cotton farmer, struggling through the years to make a bare living for himself and family, this veto was a severe blow. Year after year he plants his crop in high hope, but often harvests in despair only a small part of a normal crop. Against this constant dread of crop failure this measure would have given the cotton farmer security.

I am a great believer in the sincerity of the President. In the present instance, however, I believe he was badly advised.

The one great argument used in the debate on the bill and adopted by the President in his veto message was that the experience with wheat had not been sufficient to enable us to plot a proper course for other crops. It is true that the first year wheat insurance was in effect it cost an amount in excess of the premiums collected. However, I think we are safe in assuming that with the greater spread this year through the writing of nearly three times as many policies, we may expect better results. Furthermore, even if there should be considerable loss each year, something that we surely cannot expect, in the long run the Government will have profited through the saving of money that otherwise would have been spent for emergency farm relief purposes.

Another objection raised by the President in his veto message was that this bill sought to extend crop insurance to cotton only, whereas it should be extended to all of the basic crops when sufficient experience has been gained through its operation with wheat. From the first, it has been the expressed intent of Congress that the various crops should be taken in one at a time. The statement has frequently been made that following wheat should come cotton, and a year or so later corn, to be followed by other products as it became wise and desirable to bring them under.

This bill passed the House by a vote of 200 to 113. It is quite noticeable that of the 200 voting for the measure, there were 184 Democrats, 14 Republicans, 1 Farmer-Laborite, and 1 Independent. Of the 113 opposing the bill, only 4 Democrats and 1 Progressive were to be found in company with 108 Republicans. Likewise paired for the bill were 27 Democrats and 1 Progressive, and paired against it were 27 Republicans and 1 Democrat, making a total of 211 Democrats expressing themselves for the bill, and 135 Republicans against it; with only 5 Democrats opposing it, and only 14 Republicans favoring it.

It is apparent from these figures that the Democrats believed this was a wise program, whereas, the Republicans, as a whole, were unwilling to go along. All of this was in the face of the outright declaration by the standard bearer of each of the major parties in 1936 in favor of crop insurance.

Following the overwhelming approval of this measure by both Houses, the cotton farmers were looking forward to a security that they have never before enjoyed. Knowledge of the veto came to them as a great disappointment. I

[8] Under the caption, "The Silver Situation," the Banco Nacional de Mexico (in its Review of the Economic Situation of Mexico, issue of December 1935–January 1936) published an article by "the Mexican economist, Dr. Antonio Espinosa de los Monteros, who spent some time in the United States as an observer," presumably of Mexico's silver interests in Washington. In that article Sr. Espinosa de los Monteros explained the determination of the Roosevelt administration to deal directly with silver-selling countries as an effort on Mr. Roosevelt's part to obtain equivalent concessions to the United States. But, this Mexican economist and "observer" sagely remarked, "We feel sure that our Government will be careful not to make concessions out of proportion with those made to us."

believe in the measure, I believe in its feasibility, and I believe that it is simply the application of common sense and business methods to farming. Therefore, I am confident that we shall yet see such a law enacted. It is my suggestion to the cotton farmers that they study the plan, study its application, and familiarize themselves with its method of working in order that when it does become the law they may be ready to accept it, to use it, and to prove its soundness. [Applause.]

[Here the gavel fell.]

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 51 minutes p. m.) the House adjourned until tomorrow, Friday, May 10, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the subcommittee of the Committee on Interstate and Foreign Commerce on Friday, May 10, 1940, at 10 a. m. Business to be considered: Hearings on H. R. 7466 and H. R. 8242.

There will be a meeting of the Committee on Interstate and Foreign Commerce on Monday, May 13, 1940, at 10 a. m. Business to be considered: To begin hearings on S. 280 and H. R. 145—motion pictures. All statements favoring the bill will be heard first. All statements opposing the bill will follow.

IRRIGATION AND RECLAMATION COMMITTEE

The Committee on Irrigation and Reclamation will meet Saturday, May 11, at 10 a. m., in room 128, House Office Building, for the further consideration of H. R. 9093.

COMMITTEE ON PATENTS

There will be a meeting of the Committee on Patents on Thursday, May 16, 1940, at 10:30 a. m., for the consideration of H. R. 9384, H. R. 9386, and H. R. 9388, all of which relate to amendments to the patent laws.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold the following hearings at 10 a. m. on the dates specified:

Tuesday, May 14, 1940:

H. R. 9553, to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes.

Thursday, May 16, 1940:

H. R. 9477, to apply laws covering steam vessels to certain passenger-carrying vessels.

COMMITTEE ON MINES AND MINING

The Subcommittee on Mines and Mining that was appointed to consider S. 2420 will hold hearings beginning Thursday, May 16, 1940, at 10 a. m., in the committee rooms in the New House Office Building.

There will be a meeting of the Committee on Merchant Marine and Fisheries on Tuesday, May 21, 1940, at 10 a. m., at which time the Committee will consider the subject of maritime unemployment insurance.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization Monday, May 13, Tuesday, May 14, and Wednesday, May 15, 1940, at 10 a. m., for the consideration of the following:

Monday, May 13: H. R. 6127, nationality code.

Tuesday, May 14: H. R. 8310, to deport Communists.

Wednesday, May 15: Unfinished business and private bills.

COMMITTEE ON THE JUDICIARY

There will be continued before Subcommittee No. IV of the Committee on the Judiciary on Monday, May 13, 1940, at 10:30 a. m., a hearing on the bill (H. R. 7534) to amend an act to prevent pernicious political activity (to forbid the requirement that poll taxes be paid as a prerequisite for voting at certain elections). The hearing will be held in the Judiciary Committee room, 346 House Office Building.

There will be held before Subcommittee No. IV of the Committee on the Judiciary a hearing on H. R. 8963, to amend section 40 of the United States Employees' Compensation Act (to include chiropractic practitioners). The hearing will be held at 10 a. m. May 22, 1940, in the Judiciary Committee room, 346 House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

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

1603. A communication from the President of the United States, transmitting an additional estimate of funds required by the Rural Electrification Administration for loans and the purchase of property, such funds to be obtained from the Reconstruction Finance Corporation, together with a supplemental estimate of appropriation for administrative expenses required in connection with the utilization of such Reconstruction Finance Corporation funds (H. Doc. No. 723); to the Committee on Appropriations and ordered to be printed.

1604. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 24, 1940, submitting a second interim report, together with accompanying papers and an illustration, on reexamination of Connecticut River and tributaries, Connecticut, Massachusetts, New Hampshire, and Vermont, requested by resolution of the Committee on Flood Control, House of Representatives, adopted June 16, 1938 (H. Doc. No. 724); to the Committee on Flood Control and ordered to be printed, with an illustration.

1605. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill for the relief of certain disbursing officers of the Treasury Department, the Department of the Interior, and the Army"; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. NELSON: Committee on Rules. House Resolution 480. Resolution providing for the consideration of H. R. 9575, a bill to amend the Federal Aid Act, approved July 11, 1916, as amended and supplemented, and for other purposes; with amendment (Rept. No. 2117). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 489. Resolution for the consideration of House Joint Resolution 501, for the relief of the distressed and starving men, women, and children of Poland and other similarly afflicted areas; without amendment (Rept. No. 2118). Referred to the House Calendar.

Mr. HARTER of Ohio: Committee on Military Affairs. S. 2328. An act to promote on the retired list officers who were decorated and recommended for promotion for distinguished service during the World War and who have not attained the rank to which recommended; without amendment (Rept. No. 2119). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. S. 2295. A bill authorizing the President to reappoint and honorably discharge David J. Sawyer, second lieutenant, National Army, as of May 11, 1919; without amendment (Rept. No. 2120). Referred to the Committee of the Whole House on the state of the Union.

Mr. SPARKMAN: Committee on Military Affairs. S. 897. An act to correct the military record of Walter Ballhaus; without amendment (Rept. No. 2121). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. S. 3251. An act to amend sections 16 and 17 of chapter II of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia"; without amendment (Rept. No. 2122). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 9299. A bill to amend section 10 of chapter 5 of Public

Act No. 436, Seventy-third Congress, approved June 19, 1934; without amendment (Rept. No. 2131). Referred to the House Calendar.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 9450. A bill to transfer the active list of the Construction Corps to the line of the Navy, and for other purposes; without amendment (Rept. No. 2132). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. S. 3667. An act to provide for the local delivery rate on certain first-class mail matter; without amendment (Rept. No. 2135). Referred to the Committee of the Whole House on the state of the Union.

Mr. McGEHEE: Committee on Claims. H. R. 6945. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of all persons who have claims for damages or losses resulting from the construction, further development, and improvement of the Intracoastal Waterway, Miami to Jacksonville, Fla., and for other purposes; with amendment (Rept. No. 2136). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. POAGE: Committee on Claims. S. 3304. An act for the relief of J. Frank Kuner, private, uniformed force, United States Secret Service; without amendment (Rept. No. 2123). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. S. 2234. An act for the relief of Walter R. Maguire; without amendment (Rept. No. 2124). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 2214. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of M. Grace Murphy, administratrix of the estate of John H. Murphy, deceased, against the United States; with amendment (Rept. No. 2125). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 6061. A bill for the relief of Hazel Thomas; with amendment (Rept. No. 2126). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. H. R. 6212. A bill for the relief of Nannie May Blythe; with amendment (Rept. No. 2127). Referred to the Committee of the Whole House.

Mr. GATHINGS: Committee on Claims. H. R. 6845. A bill for the relief of Anthony Borsellino; with amendment (Rept. No. 2128). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 7861. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Hannah S. Bray, Jane Bickers, and Frances Bickers; with amendment (Rept. No. 2129). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 8429. A bill for the relief of Maj. L. P. Worrall, and for other purposes; with amendment (Rept. No. 2130). Referred to the Committee of the Whole House.

Mr. SMITH of Connecticut: Committee on Military Affairs. H. R. 8140. A bill for the relief of Stanley McMahan; without amendment (Rept. No. 2133). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. H. R. 6358. A bill for the relief of Ira Ellis Veal; with amendment (Rept. No. 2134). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. BLAND:

H. R. 9718. A bill to provide for the establishment of the Rehoboth-Assateague National Seashore in the States of Delaware, Maryland, and Virginia, and for other purposes; to the Committee on the Public Lands.

By Mr. DIRKSEN:

H. R. 9719. A bill to prohibit the sale in the District of Columbia of products of convict labor; to the Committee on the District of Columbia.

By Mr. DEROUEN:

H. R. 9720. A bill to provide for the establishment of the Tensas Swamp National Park, La., and for other purposes; to the Committee on the Public Lands.

By Mr. KIRWAN:

H. R. 9721. A bill to provide for the creation of a Federal Waterway Authority to construct and operate a navigable canal from Beaver, Pa., on the Ohio River to a point 21 miles up the Beaver River in the vicinity of New Castle, Pa., thence up the Mahoning River about 12 miles to Struthers, Ohio; to the Committee on Rivers and Harbors.

By Mr. RANDOLPH:

H. R. 9722. A bill to provide for the regulation of the business of fire, marine, and casualty insurance, and for other purposes; to the Committee on the District of Columbia.

By Mr. ALEXANDER:

H. J. Res. 536. Joint resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. BLAND:

H. J. Res. 537. Joint resolution to make temporary emergency provision for the determination of foreign construction costs under section 502 (b) of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. GEHRMANN:

H. J. Res. 538. Joint resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. SECCOMBE:

H. J. Res. 539. Joint Resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. JENSEN:

H. J. Res. 540. Joint resolution opposing the abandonment of any Army posts or forts without proper notice to the State or Territory in which such forts or posts are located; to the Committee on Military Affairs.

By Mr. VINSON of Georgia:

H. Res. 490. Resolution for the consideration of H. R. 9450; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BOLAND:

H. R. 9723. A bill for the relief of Anna Ferris; to the Committee on Claims.

By Mr. BURCH:

H. R. 9724. A bill for the relief of Capt. R. Lee; to the Committee on Claims.

By Mr. CHURCH:

H. R. 9725. A bill for the relief of Stanislaw Kowalczky; to the Committee on Immigration and Naturalization.

By Mr. FERGUSON:

H. R. 9726. A bill for the relief of Charley C. B. Bokis; to the Committee on Military Affairs.

H. R. 9727. A bill for the relief of Catherine Greening; to the Committee on Claims.

H. R. 9728. A bill for the relief of Wesley S. Wright; to the Committee on Claims.

H. R. 9729. A bill granting a pension to Earnest Hill Smith; to the Committee on Invalid Pensions.

By Mr. McCORMACK:

H. R. 9730. A bill for the relief of Draper & Co., Inc., of Boston, Mass.; 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:

8117. By Mr. CARTER: Petition of R. L. Lee, and 19 other citizens of Pittsburg, Martinez, and Antioch, Calif., urging the enactment of House bill 1, the Patman chain-store tax bill; to the Committee on Ways and Means.

8118. By Mr. MARTIN J. KENNEDY: Petition of the Welfare Council of New York City, urging passage of the Wagner-Steagall amendments to the United States housing law providing $800,000,000 additional funds for the United States Housing Authority; to the Committee on Banking and Currency.

8119. By Mr. KEOGH: Petition of David J. O'Connell, auxiliary, Veterans of Foreign Wars, Post 2264, South Ozone Park, N. Y., favoring passage of the widows and orphans pension bill; to the Committee on World War Veterans' Legislation.

8120. Also, petition of the Irregular Common Carrier Association of America, favoring recommittal of the conference report on Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

8121. Also, petition of the Chamber of Commerce of the United States, favoring the passage of the general transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

8122. Also, petition of the associated organizations for the civic improvement of Ridgewood, Glendale, Maspeth, Middle Village, Metropolitan, and Evergreen sections of Greater New York, favoring the passage of the Reynolds bill (S. 3201); to the Committee on Immigration and Naturalization.

8123. Also, petition of the Brotherhood of Railroad Trainmen, Lodge 517, New York City, favoring recommittal of the conference report on the transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

8124. Also, petition of the Chamber of Commerce of the Borough of Queens, city of New York, favoring conference report on Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

8125. Also, petition of the Central Trades Labor Council, Greater New York, favoring recommittal of the conference report on Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

8126. Also, petition of the Brotherhood of Railroad Trainmen legislative board, State of New York, favoring recommittal of Senate bill 2009 with instructions to report the Wadsworth amendment; to the Committee on Interstate and Foreign Commerce.

8127. By Mr. LAMBERTSON: Petition of F. D. Snyder and 248 citizens of Sabetha, Kans., urging Congress to enact the General Welfare Act into law; to the Committee on Ways and Means.

8128. By Mr. LYNCH: Petition of Joseph P. Ryan, president, International Longshoremen's Association, opposing the transportation bill; to the Committee on Interstate and Foreign Commerce.

8129. Also, petition of the Federation of Architects, Engineers, Chemists, and Technicians of the city of New York, opposing any change in the Wage and Hour Act or the National Labor Relations Act; to the Committee on Labor.

8130. Also, petition of the Central Trades and Labor Council of Greater New York and vicinity, opposing passage of the transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

8131. Also, petition of the Union Barge Line Corporation of New York, opposing the transportation bill; to the Committee on Interstate and Foreign Commerce.

8132. Also, petition of the American Merchant Marine Institute of New York City, urging opposition to the Wheeler-Lea bill; to the Committee on Interstate and Foreign Commerce.

8133. By Mr. MAGNUSON: Petition of Margaret A. Porter, of Seattle, Wash., and signed by 20 endorsers of this bill, urging support of the Seventy-sixth Congress in the enactment of the improved General Welfare Act (H. R. 5620); to the Committee on Ways and Means.

8134. By Mr. PFEIFER: Petition of the Department of Social Welfare, Albany, N. Y., approving the Wagner-Byrne bill (H. R. 8985); to the Committee on Ways and Means.

8135. By Mr. ROMJUE: Petition of the Union de Mujeres Americanas, Inc. (United Women of the Americas), asking the Postmaster General, Hon. James A. Farley, to cause to be prepared in honor of Mary Ball Washington a commemorative postage stamp for use in the mails, and that the Congress of the United States set aside August 25 as Mary Ball, Mother of Washington, Day; to the Committee on the Judiciary.

8136. By Mr. SCHIFFLER: Petition of Wilbur U. Jones, recording secretary, Steel Workers Organizing Committee, Ackermann Lodge, No. 1240, Wheeling, W. Va., favoring the enactment into law of the Neely-Keller Federal mine-inspection bill; to the Committee on Mines and Mining.

8137. Also, petition of Wilbur U. Jones, recording secretary, Steel Workers Organizing Committee, Ackermann Lodge No. 1240, Wheeling, W. Va., favoring the abolition of the poll tax; to the Committee on the Judiciary.

8138. Also, petition of Wilbur U. Jones, recording secretary, Steel Workers Organizing Committee, Ackermann Lodge No. 1240, Wheeling, W. Va., favoring social security and relief; to the Committee on Ways and Means.

8139. Also, petition of Wilbur U. Jones, recording secretary, Steel Workers Organizing Committee, Ackermann Lodge No. 1240, Wheeling, W. Va., for the keeping of America out of war; to the Committee on Foreign Affairs.

8140. By Mr. VAN ZANDT: Petition of Post No. 3, Veterans of Foreign Wars of the United States, Altoona, Pa., protesting against the cancelation of the existing list of eligibles for appointment as warrant officer, United States Army; to the Committee on Military Affairs.

8141. By Mr. WHITTINGTON: Petition of the Legislature of Mississippi, requesting the passage of Senate bill 231 and House bill 299; to the Committee on Roads.

8142. Also, petition of the Legislature of Mississippi, to extend Tennessee Valley Authority power to the counties of Lauderdale, Clarke, and Wayne; to the Committee on Military Affairs.

8143. Also, petition of the Legislature of Mississippi, requesting the passage of the Wagner-George bill for small hospitals; to the Committee on Interstate and Foreign Commerce.

8144. By the SPEAKER: Petition of the Southern California District International Workers Order, Local 660, Los Angeles, Calif., petitioning consideration of their resolution with reference to un-American and the pending antialien bills; to the Committee on Rules.

8145. Also, petition of the International Workers Order, Branch 3508, Passaic, N. J., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

8146. Also, petition of the International Brotherhood of Electrical Workers Local Union, No. 83, Los Angeles, Calif., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority Program; to the Committee on Banking and Currency.

8147. Also, petition of the United Garment Workers of America, Local 127, Indianapolis, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8148. Also, petition of the International Workers Order, Lodge 224, Los Angeles, Calif., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

8149. Also, petition of Hod Carriers Local 81, Hammond, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8150. Also, petition of the National Woman's Party, Washington, D. C., petitioning consideration of their resolution with reference to the equal-rights amendment; to the Committee on the Judiciary.

8151. Also, petition of the International Workers Order, Lodge 754, Los Angeles, Calif., petitioning consideration of

their resolution with reference to the Dies committee; to the Committee on Rules.

8152. Also, petition of the Detroit Municipal Employees' Club, Inc., city of Detroit, Mich., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8153. Also, petition of the Detroit Poultry Workers Union, Local No. 428, petitioning consideration of their resolution with reference to the antialien bills; to the Committee on Immigration and Naturalization.

8154. Also, petition of the International Union, United Automobile Workers of America, Detroit, Mich., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8155. By Mr. MICHAEL J. KENNEDY: Petition of the Grand Lodge Brotherhood of Railroad Trainmen, opposing conference report on Wheeler-Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

8156. Also, petition of Titus Blatter & Co. of New York City, opposing transportation bill; to the Committee on Interstate and Foreign Commerce.

8157. Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, opposing adoption of conference report on Wheeler-Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

8158. Also, petition of the Order of Railway Conductors, opposing adoption of conference report on Wheeler-Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

8159. Also, petition of the Brotherhood of Railroad Trainmen, opposing adoption of conference report on Wheeler-Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

8160. Also, petition of the Switchmen's Union of North America, opposing adoption of conference report on Wheeler-Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

8161. Also, petition of the Order of Railroad Telegraphers, opposing adoption of conference report on Wheeler-Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

8162. Also, petition of the United Marine Division, Local No. 333, International Longshoremen's Association, opposing enactment of Wheeler-Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

8163. Also, petition of the Central Trades Labor Council of Greater New York, opposing adoption of conference report on Wheeler-Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

8164. Also, petition of the Irregular Common Carrier Association of America, opposing adoption of conference report on the Wheeler-Lea bill; to the Committee on Interstate and Foreign Commerce.

8165. Also, petition of the National Grange, opposing adoption of the conference report on the Wheeler-Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

8166. Also, petition of the New York State Farm Bureau Federation, favoring adoption of Senate amendment to House bill 8262, the agricultural appropriation bill, providing funds for agricultural extension; to the Committee on Appropriations.

8167. Also, petition of the Building and Construction Trades Council of Greater New York, representing 150,000 building and construction trades workers, opposing action of the Department of Justice in prosecuting certain labor unions under the Sherman antitrust law; to the Committee on the Judiciary.

8168. Also, petition of the Cleaners, Dyers, Pressers, Drivers, and Allied Trades Union, Local 239, opposing any amendment of the National Labor Relations Act; to the Committee on Labor.

8169. Also, petition of the Dykes Lumber Co., of New York City, favoring enactment of House Joint Resolution 519, to amend the Merchant Marine Act; to the Committee on Merchant Marine and Fisheries.

8170. Also, petition of the Intercoastal Lumber Distributors Association, supporting prompt passage of House Joint Resolution 519, which proposes to suspend section 510 (g) of the Merchant Marine Act of 1936; to the Committee on Merchant Marine and Fisheries.

8171. Also, petition of the department of public works, State of New York, opposing section 205 of the Public Salary Tax Act, relative to retroactive taxation of employees paid in part from Federal funds; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 10, 1940

The House met at 12 o'clock noon, and was called to order by the Speaker.

Rev. Bernard Braskamp, D. D., pastor of Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who wert the God of our fathers, we rejoice that Thou hast made us the heirs of the faithful, who gave themselves in high and holy consecration for the blessedness of humanity. Our lives have been enriched and inspired by the memory of their faith and their faithfulness.

Grant that we also may be patriots who have highly resolved to make Thy will our will; not in dumb resignation, not in sullen submission, but in glad obedience, gratefully and habitually following those paths which Thou hast marked out for us, for Thy ways are ways of pleasantness and Thy paths are paths of peace.

We pray that as God-fearing men we may earnestly strive to hasten that day of prediction when men and nations shall be delivered out of the darkness of hatred and fear into the glorious light of love and peace. In the name of 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 without amendment a bill and joint resolution of the House of the following titles:

H. R. 7806. An act to authorize the striking of an appropriate medal in commemoration of the three hundredth anniversary of the establishment of Greenwich, Conn., as a town; and

H. J. Res. 519. Joint resolution to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 785. An act relating to the acquisition of foreign silver by the United States.

The message also announced that the Senate had ordered that the Secretary be directed to return to the House of Representatives the bill (S. 2103) entitled "An act to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934 (48 Stat. 984), as amended."

EXTENSION OF REMARKS

Mr. HARRINGTON and Mr. VOORHIS of California asked and were given permission to extend their own remarks in the RECORD.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein an article by David Lawrence and another article by Joseph F. Thorning.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut [Mr. SHANLEY]?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein