

Merchant Marine Act, 1920, including violations thereof involving principles or policies by foreign or other vessels not qualified for that trade.

"10. The Diesel conversion program. The administration of matters (preliminary to final action thereon by the Commissioner in charge or by the Board) requiring action in Washington (excluding, therefore, engineering items and work in the field) incident to the conversion of about 20 vessels to motor ships, Congress having appropriated \$25,000,000 for this purpose.

"11. As counsel to the Committee on Legislation of the Board, he studies bills pending in Congress bearing on shipping or water transportation and brings the facts before the Committee on Legislation and, when the Board's attitude has been stated, he appears before committees of Congress having the bills in charge, respectively. This work also includes study of international conventions, e.g., that relating to Hague rules for uniform bills of lading and questions of legislative procedure thereon.

"12. This does not purport to be a complete enumeration of all Mr. Nicolson's work, as special items are from time to time assigned to him for attention in addition to the regular subjects mentioned above.

"Insofar as the items enumerated above involve engineering, construction, or operating matters, his work is administrative only in the relation of the commissioner in charge to technical experts in the fields mentioned."

The personnel sheet from which the above "Description of work" is taken verbatim bears the following signatures:

"(Signed) EDWARD C. PLUMMER,

"Commissioner in Charge of Bureau of Traffic.

"(Signed) W. S. BENSON,

"Commissioner in Charge Bureau of Construction.

"Reviewed by committee appointed by the Chairman.

"(Signed) SAMUEL GOODACRE,

"Secretary."

#### EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

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

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Megill, one of its clerks, announced that the House insisted upon its amendments to the joint resolution (S.J.Res. 14) authorizing the President of the United States to expend \$5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BUCHANAN, Mr. TAYLOR of Colorado, Mr. AYRES of Kansas, Mr. TABER, and Mr. BACON were appointed managers on the part of the House at the conference.

#### LOANS BY FEDERAL RESERVE BANKS TO STATE BANKS AND TRUST COMPANIES

Mr. ROBINSON of Arkansas. Mr. President, the Senate some days ago passed the bill (S. 320) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases. The bill was held on the desk for the reasons that were explained here, and finally went to the House. The House passed another bill in its stead, embracing the provisions of the Senate bill and adding provisions thereto. I had hoped that the House bill might be received by the Senate this afternoon in time for consideration; but I am informed that, although the bill has passed the House, it probably will not reach the Senate until tomorrow morning. I therefore move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and the Senate (at 4 o'clock and 2 minutes p.m.) took a recess until tomorrow, Tuesday, March 21, 1933, at 12 o'clock meridian.

#### NOMINATIONS

*Executive nominations received by the Senate March 20 (legislative day of Mar. 13), 1933*

#### FOREIGN SERVICE OFFICER OF CLASS 2, CONSUL GENERAL, AND SECRETARY IN THE DIPLOMATIC SERVICE

Irving N. Linnell, of Massachusetts, now a Foreign Service officer of class 2 and a consul general, to be also a secretary in the Diplomatic Service of the United States of America.

#### MEMBER OF THE FEDERAL HOME LOAN BANK BOARD

C. B. Merriam, of Kansas, to be a member of the Federal Home Loan Bank Board for the unexpired portion of the term of 4 years from July 22, 1932.

#### PUBLIC HEALTH SERVICE

Asst. Surg. Donald J. Hunt to be passed assistant surgeon in the Public Health Service, to rank as such from March 1, 1933.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate March 20 (legislative day of Mar. 13), 1933*

#### MEMBERS OF THE UNITED STATES SHIPPING BOARD

Hutch I. Cone.

Gatewood S. Lincoln.

David W. Todd.

## HOUSE OF REPRESENTATIVES

MONDAY, MARCH 20, 1933

The House met at 12 o'clock noon.

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

O blessed Providence that never forsakes us, O wonderful promise of the Father's redeeming love, we thank Thee that we cannot drift beyond divine care. For every conquest over sin, for every hope of salvation, for every aspiration toward a good life, for every ambition that lifts our face toward the holy mount, we offer Thee our praise. O speak to us in benediction; shield us all with a faith that cannot be shattered; temper us with great convictions that will stand the fire of combat; keep our hearts from bitterness and our spirits from repining. May we count no struggle too great, no sacrifice too costly, that the days of happiness and contentment may return to all our people and of every section. Through Christ. Amen.

The Journal of the proceedings of Friday, March 17, 1933, was read and approved.

#### THE BEER BILL

Mr. CULLEN. Mr. Speaker, the gentleman from North Carolina [Mr. DOUGHTON], who is one of the conferees upon the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, is unavoidably detained and will not be present. As the conferees are to go into session at 12:15 today, I ask unanimous consent that Mr. DOUGHTON be relieved as one of the conferees and that the gentleman from Arkansas [Mr. RAGON] be substituted in his place.

The SPEAKER. Without objection, the gentleman from North Carolina [Mr. DOUGHTON] will be excused from service as a conferee upon the bill, and the Chair appoints Mr. RAGON, of Arkansas, to serve in his place. Is there objection?

There was no objection.

The SPEAKER. The Clerk will notify the Senate of the change.

#### STATE BANKS

Mr. STEAGALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3757) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, which I send to the desk and ask to have read.

The Clerk read as follows:

*Be it enacted, etc.,* That title IV of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, is amended by adding at the end thereof the following new section:

"Sec. 404. During the existing emergency in banking, or until this section shall be declared no longer operative by proclamation of the President, but in no event beyond the period of 1 year from the date this section takes effect, any State bank or trust company not a member of the Federal Reserve System may apply to the Federal Reserve bank in the district in which it is located and said Federal Reserve bank, in its discretion and after inspection and approval of the collateral and a thorough examination of

the applying bank or trust company, may make direct loans to such State bank or trust company under the terms provided in section 10 (b) of the Federal Reserve Act, as amended by section 402 of this act: *Provided*, That loans may be made to any applying nonmember State bank or trust company upon eligible security. All applications for such loans shall be accompanied by the written approval of the State banking department or commission of the State from which the State bank or trust company has received its charter and a statement from the said State banking department or commission that in its judgment said State bank or trust company is in a sound condition. The notes representing such loans shall be eligible as security for circulating notes issued under the provisions of the sixth paragraph of section 18 of the Federal Reserve Act, as amended by section 401 of this act, to the same extent as notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of the Federal Reserve Act."

SEC. 2. During the time that such bank or trust company is indebted in any way to a Federal Reserve bank it shall be required to comply in all respects to the provisions of the Federal Reserve Act applicable to member State banks and the regulations of the Federal Reserve Board issued thereunder: *Provided*, That in lieu of subscribing to stock in the Federal Reserve bank it shall maintain the reserve balance required by section 19 of the Federal Reserve Act during the existence of such indebtedness.

The SPEAKER. Is a second demanded?

Mr. LUCE. Mr. Speaker, I demand a second.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. I should like to ask the chairman of the committee a question.

Mr. STEAGALL. Mr. Speaker, I shall be very glad to accommodate the gentleman's wishes if he desires further time for discussion.

Mr. SNELL. We should like to have additional time.

Mr. STEAGALL. How much time does the gentleman think we should have?

Mr. SNELL. We think there should be an hour and a half of discussion, which would be three quarters of an hour on a side.

Mr. STEAGALL. That is agreeable. Mr. Speaker, I submit a unanimous-consent request that the time for debate be extended to one hour and a half in all. It is my purpose to yield one half of the time to the gentleman from Massachusetts [Mr. LUCE].

The SPEAKER. The gentleman from Alabama asks unanimous consent that the time for discussion be extended to one hour and a half in all, and that the gentleman from Massachusetts control half the time and that the other half be controlled by himself. Is there objection?

There was no objection.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GOSS. Are we to understand that the gentleman has withdrawn his motion to suspend the rules?

The SPEAKER. Oh, no; that is pending.

Mr. STEAGALL. Mr. Speaker, I am sure the House appreciates the situation confronting Congress in the effort to pass legislation dealing with the emergency that has recently arisen in relation to the banks of the country. All of the banks were closed when we took up this task. It presented perhaps the most important, the most involved, and the most difficult undertaking that ever confronted this body in the lifetime of any Member of it. On Thursday of week before last we passed the measure designed to remedy as far as might be done under the circumstances the immediate emergency confronting the Nation. Not only the public but the Treasury as well was profoundly concerned in opening the banks of the country because of the financing program about to be undertaken. Necessarily, therefore, we proceeded with unusual haste. In that legislation was included provisions giving unusual privileges to individuals, to partnerships, to corporations, and to banks in connection with the credit facilities of the Federal Reserve System and the use of the credit of the Government to tide over the period of emergency and distress in which we found ourselves. In that legislation a provision was incorporated to permit member banks of the Federal Reserve System to obtain loans from Federal Reserve banks upon any security tendered by them and found to be satisfactory to the Federal Reserve banks to

which the applications may be addressed. Upon notes backed by the unusual securities that were to be tendered the Federal Reserve banks were permitted to apply for the issuance of Federal Reserve bank notes. They might apply for Federal Reserve bank notes to the amount of 100 percent of Government obligations tendered as security or, in the case of other securities, they might apply for the issuance of Federal Reserve bank notes up to 90 percent of the value of the securities.

It will be understood by those who are familiar with the Federal Reserve Act that Federal Reserve bank notes are distinguished from Federal Reserve notes in that Federal Reserve notes must be supported by 40 percent of their value in gold in addition to the securities offered by an applying bank, whereas in the case of Federal Reserve bank notes, no such gold requirement is exacted by the law.

It was found that a large number of State banks throughout the country were deeply affected by this legislation on account of the peculiar conditions that existed as a result of the sudden closing down of our banks. There are perhaps 10,000 State banks and trust companies, nonmembers of the Federal Reserve System, that had been able to carry on satisfactorily and happily in the service rendered by them to the various communities in which they are located. Of course when the order came that all banks should be closed, there was an accentuation of the state of fear and unsettled public mind respecting banks. In working out a program of reconstruction it was decided to undertake to open the banks by gradual processes. That has been done. There are still several thousand banks, most of them State banks and trust companies, that are nonmembers of the Federal Reserve System that have not reopened, save on a conditional basis. Some, of course, are members of the Federal Reserve System. Those banks that are not members are left to fight their own battles, to finance themselves as best they can, to deal with their difficulties in their own way, and handle the problem of deposit liability without the privileges of using emergency currency that is extended to banks which are members of the Federal Reserve System under the emergency act passed the other day.

A member bank of the Federal Reserve System, under that bill, not only may use its bonds or other papers in its portfolios that are eligible for the credit facilities of the Federal Reserve banks but they are permitted, under that legislation, to tender their own notes, secured in any manner, with any kind of collateral that is satisfactory to the Federal Reserve bank, and obtain loans, and the Federal Reserve bank may in turn take such securities, in the case of a bank that is a member of the Federal Reserve System, and have Federal Reserve bank notes issued upon them to the amount of 90 percent of those securities. So it will be seen that what we did was to provide a method by which member banks of the Federal Reserve System could take their collateral securities and have Federal Reserve bank notes, backed by the credit of the United States, issued to pay off their depositors; but nonmember banks in the same situation, with the same kind of security and with every reason applying, from the standpoint of the public welfare, that could apply in the case of a national bank or a member bank of the Federal Reserve System, were left without the benefits of that provision of the law.

Now, somebody said it is not right or fair to permit State banks that have not joined the Federal Reserve System, that have had no part in upbuilding that great System and establishing it on a successful basis, to come in and share the credit facilities of the System the same as the member banks which had helped develop and support it. There is some basis for that view.

If we look at the matter alone from the standpoint of the private banking interests involved in the two systems, that is quite true; but this body represents all banks and all interests and all phases of the agricultural, industrial, and commercial life of the people of the United States; and there is not any reason why we should discriminate in favor of one class of banks as against the other in extending the use of Government credit to relieve this emergency. The people

of a city or of a community whose commercial and industrial life is inseparably linked with nonmember banks in the communities are just as much entitled to the benefits of relief legislation passed by the Congress in this hour of distress as in the case of member banks of the Federal Reserve System in the communities whose interests are wrapped up in member banks of the Federal Reserve System. [Applause.] It is for the people of the United States, for all the banks, and all interests—every legitimate interest in the United States—that we are seeking to restore the banking structure of this country, as far as it can be done, to where it was before the recent crash. That is what this legislation is designed to do.

Mr. SNELL. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. SNELL. I have a letter from an important banker, and he seems to take the position that it is rather unfair to the member banks, who have borne the burden all these years, who have had their money in there without any special interest, and have really owned the Federal Reserve System, to give these banks the same privileges that the member banks have always had and paid for, and the new banks have practically not put up any money and they will not have to pay for those privileges. What does the gentleman say about that?

Mr. STEAGALL. There are several things to be said in reply to the inquiry submitted by my friend the gentleman from New York. First, let me say that the banker to whom the gentleman refers does not own an interest in the Federal Reserve System in the sense in which he imagines he does. The plain fact is that all this banker can get out of the Federal Reserve System is a flat, arbitrary return of 6 percent on the capital stock of his bank in the Federal Reserve bank, and not another dollar. Notwithstanding the Federal Reserve System has made a profit of more than a half billion dollars, this banker has never gotten anything out of it except his arbitrary return of 6 percent, to which he is limited under the Federal Reserve law. The earnings of the Federal Reserve banks have been paid in part into the Treasury of the United States, somewhere between a hundred and seventy-five and two hundred million dollars, and the balance of the earnings of the Federal Reserve System have been accumulated into a surplus fund which the central Federal Reserve banks now have. That is the interest which the gentleman's banker has. But this also is an answer to the gentleman's inquiry. We have incorporated in this bill a provision which requires a nonmember bank to deposit the same reserves with the Federal Reserve bank that the member bank carries, so long as the loans obtained under the provisions of this act are outstanding. So that we have not dealt unjustly with the member banks at that point. But the best answer of all, I may say to the gentleman from New York, is that we should not legislate wholly with regard to the selfish interests of the bankers of this country, or direct our efforts toward solving to an exact nicety any differences of opinion or of interest among them.

What we are trying to do here is to restore a banking system that will serve the legitimate interests of all the American people who are involved in this situation. This is our program. This is what we are undertaking to do by this legislation, and this is what the bill before the House will accomplish if it is administered in accordance with its purpose. I do not mean for a moment to intimate that it will not be so administered either by those who will be immediately in charge of the legislation following its passage or by any officers of the Federal Reserve banks who may be in charge at any time to come. I assume that all these officials of the Government and of these banks will respect the legislative purpose of the people of the United States as expressed in the enactments of Congress, and I assume that the administration which has been called into responsibility for the administration of all the laws of our Government will see that justice is done and that the system is administered in the public interest and in accordance with the public will as expressed through the Congress.

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

Mr. STEAGALL. I yield to the gentleman from Texas.

Mr. PATMAN. I am in agreement with what the gentleman has said. Is it not a fact that the old Federal Reserve bank notes are backed up by the assets of the Federal Reserve banks only.

Mr. STEAGALL. That is right.

Mr. PATMAN. But under the new law the credit of the Nation is being used.

Mr. STEAGALL. That is quite true.

Mr. PATMAN. Therefore the credit of the Nation should not be used just by member banks, but should be used also by State banks?

Mr. STEAGALL. Yes. I am glad the gentleman has asked these questions. I thought I had covered the situation, but certainly the gentleman has made it quite clear. This is exactly the situation.

It is a question as to whether or not we will use the credit of the United States in this hour of distress and emergency to relieve one set of banks as against the others or to relieve communities and citizens affected by one class of banks and permit the others to suffer a continuation of the distress. Depositors in State banks are taxpayers and citizens. They are entitled to the same consideration at our hands that is shown depositors in national banks or member banks of the Federal Reserve System. The public welfare is our chief concern.

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

Mr. STEAGALL. I am pressed for time, but I shall be pleased to yield to the gentleman from Pennsylvania.

Mr. McFADDEN. I am interested in one particular phase of this legislation. I want to ask the gentleman if this legislation is intended to help those State nonmember banks that have been permitted to reopen or those that are still closed?

Mr. STEAGALL. There is no differentiation at that point. We want to aid every one of the State banks, just as we have tried to aid every one of the national banks, that is in position to open its doors and enable the public to deposit their money there, with a reasonable assurance to the depositing public that their deposits are safe and will be returned in accordance with the obligations of the banks.

Mr. McFADDEN. The reason I asked the question is that banks that are closed are apparently insolvent or have an impairment of capital. I fail to see where new borrowing ability is going to restore these banks. Their capital has got to be repaired. So I cannot see where this legislation would apply to this class of nonmember banks that are closed now.

On the other hand, those State banks which are nonmember banks, which have been permitted to open, can go to the Federal Reserve bank.

Mr. STEAGALL. Certainly; they may go to a Federal Reserve bank by joining the Federal Reserve System. But there is no time now to establish that connection.

Mr. McFADDEN. After all, will it not be a question of the administration of the Federal Reserve banks?

Mr. STEAGALL. Oh, yes.

Mr. McFADDEN. There is nothing to compel the Federal Reserve banks to loan to these people.

Mr. STEAGALL. Certainly not.

Mr. McFADDEN. Therefore I think there is going to be extreme difficulty in the administration, as it is now constituted, in giving relief to these nonmember State banks.

Mr. STEAGALL. I have expressed myself on that point. But I repeat that I do not think we should assume that the officials of the Government, or even the officials of these banks, will not respect the will of the American people as expressed through their Congress in this legislation; and there is a power now that I venture to say may be trusted to see that this legislation is administered in accordance with the purpose of the Congress. If it is, many hundreds of solvent banks will be saved—banks that are not accorded equal consideration with national banks or member banks of the Federal Reserve System, unless this bill is passed. I

believe the Federal Reserve Board will find they must enforce this legislation with regard to its purpose.

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

Mr. STEAGALL. I yield for a question.

Mr. GIFFORD. The gentleman will recall that a year ago we passed a bill authorizing the Federal Reserve banks to deal directly, for six months, with individuals. He well knows the results of that legislation, and how little, if anything, was done.

I want to ask the gentleman what he thinks the Federal reserve banks will interpret as eligible security, and if since March 9 he has had any information whatever from the Reserve banks will interpret as eligible security, and if since what classes of security they are going to construe as eligible security.

Mr. STEAGALL. I may say to the gentleman from Massachusetts that under the language of this bill it matters not what the provision of the Federal Reserve Act is defining eligible paper or noneligible paper, or classifying paper; and it makes no difference what rules or regulations may be promulgated by the Federal Reserve Board defining such paper or classifying such paper. Under this act we have stated that State banks may come in either with noneligible paper or with eligible paper, or with any paper they have got, just as we have done in the case of the banks that are members of the Federal Reserve System. Anything short of that in legislation allowing the use of Government credit would be unfair and unjust.

Mr. HILL of Alabama and Mr. McFADDEN rose.

Mr. HILL of Alabama. Will the gentleman yield for just a short question?

Mr. STEAGALL. I yield to my friend from Alabama, but I must then decline to yield further, as I want to save some time for others members of the committee.

Mr. HILL of Alabama. There are banks in the District of Columbia that are neither national banks nor members of the Federal Reserve System. I take it these banks can come in as State banks and will enjoy all the benefits of the provisions of this bill.

Mr. STEAGALL. Some of those banks are incorporated under State laws and some under direct act of Congress. I am not so sure that when this bill gets to the Senate it may not be found desirable to add language that will include banks in the District of Columbia.

Mr. HILL of Alabama. The desire of the distinguished chairman would be to take care of these banks?

Mr. STEAGALL. Oh, certainly.

Mr. Speaker, I reserve the balance of my time. [Applause.]

Mr. LUCE. Mr. Speaker, 20 years ago, when the Federal Reserve System was established, one of its chief purposes was to meet the short-time needs of agriculture, industry, and commerce. To this end the discounting of paper was restricted to short-term paper, and this restriction was provided: "It must not be a note, draft, or bill of exchange, the proceeds of which have been used or are to be used for permanent or fixed investments of any kinds, such as land, buildings, or machinery, or for any other capital purpose."

I want to make it perfectly clear that this deliberately excluded, so far as they related to land, buildings, machinery, or any other capital purpose, what we now speak of as frozen assets. We ought to know just how far we are letting them in as security for loans.

In this bill is a provision to which I would direct the attention of the chairman of the committee. It is on page 2, line 9:

*Provided*, That loans may be made to any applying nonmember State bank or trust company upon eligible security.

The chairman of my committee, my very good friend, has just replied to my colleague from Massachusetts that the bill covers both eligible and noneligible securities. In order that the record may be perfectly clear, that wherever else this bill is considered its scope may be understood, in order that the courts and the lawyers may know what we meant, in order that the public may not be confused or deceived, I would ask the chairman of the committee to

reiterate, if he would be so good, the fact that this proviso does not by implication restrict loans to eligible paper.

Mr. STEAGALL. The gentleman is speaking of the bill before us?

Mr. LUCE. I am speaking of the proviso I have just read on page 2, that loans may be made to any applying nonmember State bank or trust company upon eligible security.

Mr. STEAGALL. What was the gentleman's question?

Mr. LUCE. My friend was engaged at the moment.

Mr. STEAGALL. I am sorry, but I was interrupted.

Mr. LUCE. I will repeat it. The gentleman has just told my colleague from Massachusetts that this left in both eligible and noneligible securities.

Mr. STEAGALL. That is quite correct.

Mr. LUCE. Then what are the meaning and intent of this proviso?

Mr. STEAGALL. Has the gentleman read it?

Mr. LUCE. I have read it several times.

Mr. STEAGALL. The proviso says very distinctly loans may be extended on eligible paper. Does not the gentleman construe that to mean that loans may be made on eligible paper—I will ask the gentleman that question?

Mr. LUCE. I am the only Yankee engaged in this colloquy [laughter], so the only one privileged to reply to a question with a question.

Mr. STEAGALL. If the gentleman desires me to answer in his time, I will be pleased to answer. I did not go into the technicalities of the bill quite so fully as I might have done, because it was necessary to save some time for other members of the committee who desired to follow me. The bill, as originally drawn, provided that nonmember banks should be permitted to apply for loans just as member banks were permitted to make such applications under section 402, subsection 10 (b). If the gentleman will take the original act and turn to section 402, subsection 10 (b), he will find that that section was drawn at a time when it was not expected that State banks would be included in the legislation, and the provision of that section, applicable only to member banks, was that when a bank found itself without further eligible security, it might tender paper otherwise noneligible. So that as originally drawn the provision would have included State banks in that provision, which would have limited loans to a State bank to noneligible paper; and worse than that, it would have placed a State bank not only in a position where it was limited to noneligible paper, but a State bank could not have obtained a loan on noneligible paper if it had any further eligible paper in its portfolio.

So that, to make it clear and to place beyond dispute the purpose of the Congress, a provision was written into the bill, as just read by the gentleman, which says that loans may be made to any applying nonmember State bank or trust company upon eligible security. Having included State banks in the provisions of 402, subsection 10 (b), we put them in the same class as member banks so far as noneligible paper is concerned. We followed that up with the provision which says specifically that they may also obtain loans upon eligible paper and then we provide, just as in the case of national banks, that notes representing such loans shall be eligible as security for circulating notes issued under the provisions of the sixth paragraph of section 18 of the Federal Reserve Act, as amended by section 401 of this act, to the same extent as notes, drafts, bills of exchange, or bankers' acceptances acquired under the provisions of the Federal Reserve Act. Paragraph 6 of section 18 of the Federal Reserve Act is the provision of the Federal Reserve Act which permits the issuance of Federal Reserve bank notes as distinguished from Federal Reserve notes that must be protected by margin of 50 percent in gold, in addition to 100 percent of commercial paper.

I hope I have made it clear to the gentleman.

Mr. LUCE. What I am asking is whether section 10 (b) permits what he says to be loans on eligible and noneligible securities?

Mr. STEAGALL. The gentleman did not understand me. What I attempted to say was that section 402, subdivision 10,

only relates to member banks as originally drawn, and extends to member banks the privilege of borrowing on non-eligible paper after they have exhausted their eligible paper.

Mr. McFARLANE. I would like to ask the gentleman from Alabama why cannot we get a copy of the bill so that we may study it?

Mr. STEAGALL. The bills are printed, and available.

Mr. PARKS. I tried to get a bill and there were none down there.

Mr. STEAGALL. If the gentleman from Massachusetts will yield, I want to say that I did not state to the House on Friday the circumstances under which the legislation was sought. I did not think it was necessary to go into details, because of the stress and the strain under which we were proceedings, for the reason that it was simply an effort to complete by amendment legislation passed a week before, which was the larger bill and which was considered in the House by consent without having been referred to the Committee on Banking and Currency. The fact is, I will say to my friend and the Membership of the House, these bills are available, and have been since last Saturday, and any Member of the House who desires to see what is in the bill can find one on the desk at the door.

Mr. LUCE. Mr. Speaker, I do not think that of grave importance one way or the other, because if gentlemen read the bill I doubt if they will understand it. [Laughter.]

Now, may I ask the gentleman from Alabama one more question for the sake of the RECORD, and this can be answered "yes" or "no." Is it the intention of the gentleman from Alabama to give any privileges to nonmember banks that are not accorded to member banks?

Mr. STEAGALL. No.

Mr. LUCE. In that case my objection on that score, for I have been unable previously to ascertain that fact, is now met; but for the sake of the other body where the bill is to be considered, for the sake of lawyers, courts, and the public, it will be well to be a matter of record that it is not intended by this bill to give nonmember banks any privilege not given to member banks.

Mr. STEAGALL. If the gentleman had participated in the struggle which some of us have to put State banks upon the basis of equality in this legislation with member banks, I am sure the gentleman would not have made the inquiry.

Mr. LUCE. Perhaps it was to my advantage that I came into the committee meeting without having shared with the chairman in the burden of the task of which he speaks. Had the situation been otherwise, I appreciate that he might then have been able to give me the answer that would have saved much of my apprehension.

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

Mr. LUCE. I beg the gentleman's pardon, but I have not the time.

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

Mr. LUCE. Mr. Speaker, if time is left after the members of the committee desiring to speak have finished, I shall be very glad to answer any questions, but not now.

Mr. Speaker, the gentleman from Maine [Mr. BEEDY] will show, I think to complete satisfaction, from outside of the four corners of this bill there is to be presented no reason whatever for its enactment. I shall confine myself to the reasons why, within the four corners of the bill, there is no such reason.

The gentleman's explanation shows an intent which is admirable, but to my mind the proviso to which I have called attention adds superfluity to the bill that can but arouse controversy and can conduce to no good result. If gentlemen should consult 10 (b) of Public Act No. 1, to which the gentleman from Alabama referred, and then study the language of this bill, I think they can but conclude that the bill was hastily drawn, and that this proviso is at any rate confusing if not superfluous.

Just one further comment. When the Federal Reserve Board was established, all national banks were compelled to enter the System, and State banks which were not members were allowed to come into the System. As a result of that,

according to the latest figures at my command, something like 10,000 State banks have failed to come in, and less than 1,000 have come in. For that reason my first reaction to this bill was one of sharp hostility, because I could not see the justice of allowing nearly 10,000 banks to get the advantage of a system that through 20 years they have refused to help sustain. Therefore, I was inclined to oppose the bill most heartily, but upon reflection I realized that it is not the owners of the banks, it is not the stockholders who today are our chief concern, but it is the depositors. [Applause.] So, Mr. Speaker, in spite of my belief that the State banks have treated the country unfairly, have shirked their responsibilities, have invited the destruction that now confronts them as State institutions, I shall not argue against the purposes of the bill, but I do argue against repeating here things that have already been enacted.

It may be that this is a time when from the housetops we ought to repeat everything that may encourage the public. There is no politics in the Banking and Currency Committee, and there is no politics in what I wish now to express. I wish there could be repeated day after day through every corner of this land the pledge of the Democratic Party in favor of sound money and against inflation, and I wish that other pledges of the Democratic Party might be repeated; but, however anxious I might be for that, I do not desire by useless legislation here to encumber the statute books, accomplishing no additional purpose on top of what has already been accomplished by legislation, but confusing the people and raising false hopes. I reserve the rest of my time.

Mr. CELLER. Mr. Speaker, will the gentleman yield? I think there should be no disinclination on the part of members of the committee to yield.

Mr. LUCE. Mr. Speaker, I have already told the gentleman that if after members of the committee have spoken there is any time I shall be glad to yield.

Mr. CELLER. I want information, and I hope to get it from the members of the committee.

Mr. LUCE. Mr. Speaker, I reserve the remainder of my time.

Mr. STEAGALL. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. BUSBY].

Mr. BUSBY. Mr. Speaker, it has been pointed out to you that the short measure we are now asked to pass upon is but an attempt to complete the bill that passed the House a few days ago. The debt situation of this country is the problem that we have to contend with. Practically all of the legislation that has been passed here, that we have termed "relief legislation", has been an attempt to set up machinery whereby the National Government could be substituted for some private creditor. In other words, we have made arrangements so that the credit of the National Government may be used and substituted for what some private individual formerly held. By this type of legislation—and I am in favor of the passage of this bill because it is in line with many other pieces of legislation that we have passed—what we are attempting to do is to set up machinery so that we can step in as a nation and place the Nation's credit, as a sort of first mortgage, so to speak, on the income of the country through the taxing power exercised by Congress, and instead of having some private individual carry these debts, let the Government itself carry them, and owe somebody else—the purchaser of the bonds we issue to raise the Government credit.

We have arranged to permit member banks to pledge eligible paper, what was formerly known as "ineligible paper", to secure the National Government for loans to these member banks, so that the member banks may pay off some private claimant or some depositor. They ought to pay off their private claimants and depositors. Now, the State banks that are not members have not been taken into this plan.

The credit of the Nation has not been made available to them as it has been made available to the member banks and the national banks of the country. In a few words, what we are trying to do here is to give the State banks the same privileges that we have given the member banks

of the Federal Reserve System and the national banks of the country, namely, an opportunity to use the Nation's credit so as to weather the financial storm confronting them. For the reason that I believe the depositors in State banks are just as much entitled to consideration as the depositors in member banks and national banks I expect to support the legislation.

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

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. CELLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CELLER. I want to ask the chairman of the Committee on Banking and Currency whether he will answer questions put to him from the floor?

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

Mr. LUCE. Mr. Speaker, I yield to the gentleman from Maine [Mr. BEEDY] such time as he may desire.

Mr. BEEDY. Mr. Speaker, I beg the cooperation of the House to the end that quiet may obtain and that what I have to say may be heard. It has always been regrettable to me that when we undertake to consider legislation as important as that which is now before us it so frequently becomes necessary for a Member to yell and harangue the House in an effort to make himself heard. Such methods of discussion do not comport with the dignity of this body, nor with the serious consideration of important legislative matters. [Applause.]

At the very outset I feel that it is my duty to say what I am now about to say. As a Member of this House, I plead with the Committee on Banking and Currency, to which is intrusted the writing and recommendation of laws which are of extreme importance, to see to it that this House is accorded every courtesy and that the customary procedure and amenities are observed whenever legislation originating in this committee is brought before this body.

It was improper, I submit, to present this bill to the House on last Friday, when only a half dozen typewritten copies were available and not a single printed copy could be had for the use of Members. Whatever the chairman [Mr. STEAGALL] may have thought as to the necessity for rushing this bill in here Friday afternoon and urging its passage before it had even been read by members of the committee, the fact remains that at that time I opposed such procedure, and requested that the chairman call this committee together between Friday night and Monday noon, in order that we might have some opportunity for calm and deliberate consideration of the bill by the Committee on Banking and Currency. That request was not heeded. The committee has never considered this legislation, regardless of the fact that there has been ample opportunity for the chairman to call the committee into session.

This morning at about 11 o'clock I, for the first time, succeeded in securing a printed copy of this bill. This I was unable to do until I had made a personal request, as a member of the Banking and Currency Committee, of the Superintendent of the House Document Room to secure me a copy of the bill. He informed me that only a few copies were available, but that as a personal favor, I should have one.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. GOLDSBOROUGH. I did not know of that condition myself. I did not have a copy, but does the gentleman think that anybody is to blame for that except the Public Printer? Certainly the majority Members of the Committee on Banking and Currency did not know that copies were not available.

Mr. BEEDY. I am not attempting to place the blame upon anybody. I am calling the attention of the House to this situation in the hope that whoever is to blame, it may not occur again. When legislation is to be passed by this House, it should first be considered by the proper committee, especially when there is ample time for such consideration.

The committee should then make its report. No committee should expect this House to follow its recommendations unless it in turn has followed usual procedure, has properly considered the proposed legislation itself and is prepared to give the House the benefit of such consideration. I take this position on the ground of general principle.

I want to say that the chairman of our committee is one of the most lovable men in this House. I realize that he is laboring under great responsibilities. Whatever omissions he may have committed, I am confident that it has not been his intention to show any disrespect to this House or to the members of his committee. The fact remains that this bill came into this House on Friday in a highly irregular manner and it became my duty, as I saw it, to assume the responsibility of stopping its premature and immediate consideration. In the light of subsequent events and discoveries I have no regrets for my action of Friday.

The origin of this bill is shrouded in mystery. I have been unable to discover in any department of this Government or among any of its officials one man who knows just where the Robinson bill originated or who wrote it. Generally, sound legislation is sponsored by some responsible person who does not attempt to conceal his authorship.

In the present instance I have my own surmises, and every Member of the House is entitled to his. I surmise that this bill was hastily thrown together by some person who was inexperienced in the drafting of legislation, and for the sole purpose of making such a gesture as would satisfy a certain vociferous Member of another body. I surmise that it was decided when that Member was called in and had agreed that the Robinson bill suited him, I repeat, I surmise that it was then decided that the Member in question should not introduce it but that the leader of the majority party in the Senate should introduce it.

Mr. STEAGALL. Will the gentleman permit me to answer him?

Mr. BEEDY. I surmise that this decision as to the introduction of the bill was made on the pure grounds of expediency. It was no doubt felt that the bill in question would have little or no possibility of passage if its true originator should introduce it.

Mr. STEAGALL. Will the gentleman yield?

Mr. BEEDY. I yield for a question.

Mr. STEAGALL. Well, this is rather in the nature of an answer to the gentleman's inquiry.

Mr. BEEDY. I yield to the gentleman, and it is my desire to be courteous to him. But I trust the gentleman will not take as long to answer my question as he did in answering the questions of my friend the gentleman from Massachusetts [Mr. LUCE].

Mr. STEAGALL. I just wanted to say the authorship of this bill is traceable to the President of the United States directly, and it grows out of his concern for the State non-member banks of this country and the public whose fortunes are tied up with those banks. [Applause.]

Mr. BEEDY. As long as the gentleman has seen fit to draw the President of the United States into this discussion, will the gentleman answer another question? Will he tell us who it was that the President of the United States, when he drafted this bill, first called to ask if it would be satisfactory and in accordance with prior suggestions?

Mr. STEAGALL. Oh, well, I will say to the gentleman that his inquiry is scarcely in keeping with the dignity which he says should characterize the proceedings of this body.

Mr. BEEDY. I venture to state that my inquiry is quite as much in keeping with the dignity of this House as is the gentleman's statement bringing the President of the United States into this discussion. The gentleman realizes that such statements have long since been looked upon by this House as an exhibition of poor taste, to say the least.

The fact is that the gentleman from Alabama knows where this bill originated, and so do others. But they do not care to disclose the facts. The purpose which this bill would apparently accomplish is laudable enough, and I would be in hearty sympathy with it if it could accomplish anything for State banks which cannot now be accomplished under exist-

ing law. In truth, the only purpose which this bill will accomplish is to put a curb upon the protestations and harangues of a certain Member in another body.

Let us now see whether this bill, if passed, would accomplish anything in the way of practical results which cannot be accomplished under existing law. Section 402, subsection 10 (b), of the Emergency Act of March 9, 1933, reads as follows—I do not ask you to take my interpretation of it; I quote it directly:

In exceptional and exigent circumstances, and when any member bank has no further eligible and acceptable assets available to enable it to obtain adequate credit accommodations through rediscounting at the Federal Reserve bank or any other method provided by this act other than that provided by section 10 (a) (which for the purposes of this discussion it is not necessary to consider), any Federal Reserve bank, under rules and regulations prescribed by the Federal Reserve Board, may make advances to such member bank on its time or demand notes secured to the satisfaction of such Federal Reserve bank.

This provision of law clearly states that a member bank can borrow from a Federal Reserve bank upon noneligible paper, but only in the event that the member bank has exhausted its eligible paper. In other words, this provision of law compels a member bank to borrow first upon eligible paper and only in the event of its exhaustion upon non-eligible paper.

The original Robinson bill, of which the pending bill is a modified redraft, provided that nonmember banks could borrow of a Federal Reserve bank just as member banks were authorized to borrow under the provisions of section 402, subsection 10 (b), of the Emergency Act of March 9, 1933. In other words, the original Robinson bill stated that a nonmember bank could borrow of a Federal Reserve bank first upon eligible paper and never upon noneligible paper until its eligible paper was exhausted through such borrowings.

So far as I am concerned, I do not see how language could state more clearly than the language in the Robinson bill stated that nonmember banks could borrow from a Federal Reserve bank on eligible and noneligible paper but never upon noneligible until its eligible paper was first exhausted through such borrowing. Yet this House is asked to pass the pending bill for one reason because it contains, among other provisions additional to the Robinson bill, one which authorizes a nonmember bank to borrow from a Federal Reserve bank on eligible paper.

Is there a thinking man in this House who does not see clearly that this additional provision in the pending bill is useless and meaningless? If the Robinson bill clearly provided that a nonmember bank could not even borrow upon noneligible paper until it had first borrowed on its eligible paper, what in the name of common sense is the occasion for adding the words in the pending bill, "Provided that loans may be made to any applying nonmember State bank or trust company upon eligible security"?

I submit that there is no need for the addition of any such phrase. The reason, therefore, for the passage of the pending bill in this behalf, at least, fails.

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

Mr. BEEDY. Yes; I yield to the gentleman who had no opportunity to ask a question within the time granted to his own side of the House.

Mr. CELLER. I am very grateful to the gentleman on the Republican side for yielding to me.

I should like to ask whether or not section 304 of the Emergency Bank Relief Act, which provides that the Reconstruction Finance Corporation may advance loans on preferred stock of State banks also implies that the stock upon which loans may be made must be nonassessable stock; that is, stock that is not subject to double liability?

Mr. BEEDY. I believe that when the Reconstruction Finance Corporation loans money on preferred-stock issues of a State bank, whose laws provide for double liability of stockholders, it would have no power whatever to relieve the owners of that stock from obligations imposed under State laws. Such an obligation could be removed only by changing the State laws. However, I understand that under the provisions of the Emergency Act of March 9, 1933, which authorize the Reconstruction Finance Corporation to

loan money on preferred-stock issues of State banks, a way will be found to relieve depositor purchasers of such stock, under reorganization plans, from double liability.

Mr. CELLER. I made this inquiry for the reason that Governor Lehman, of my State, and I think Governor Ritchie, of Maryland, propounded the question and I—

Mr. BEEDY. If the gentleman will pardon me, I must state that I can not yield further. The question which he asks is not pertinent to the pending bill or to the present discussion. The House is in no way immediately concerned with it. The pending bill does not touch upon it.

Mr. CELLER. It goes to the parity between member and nonmember banks. State banks are discriminated against.

Mr. BEEDY. The pending bill does not apply in any way to section 304 of the act of March 9, 1933. Any discussion respecting that section, therefore, would contribute nothing to a proper understanding of the pending bill, and I trust that the gentleman will cooperate with me to conserve what little time remains for pertinent discussion.

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

Mr. BEEDY. Certainly.

Mr. JENKINS. The gentleman has been making a most logical and persuasive argument. It is very unfortunate that such a lucid address should have been interrupted, but now that it has been interrupted, I should also like to state that the gentleman's argument and that of the gentleman from Massachusetts [Mr. LUCE] have clearly explained a matter that is brought out by Mr. Forsythe, a very capable banker from Athens, Ohio, in a letter which I received this morning. He is much concerned about whether the taking in of State banks might not weaken the whole fabric of the Federal Reserve System. Since this is an emergency measure, we all hope that it may do much good and no harm.

Mr. BEEDY. The fact is that by the very terms of the pending bill only sound banks can obtain any relief. But nonmember banks which are sound can already obtain relief under existing law. They may obtain it by coming into the System itself by borrowing from the Reconstruction Finance Corporation or by applying to a correspondent member bank which, as I shall later explain, is now permitted to act directly as an agent for any nonmember State bank or trust company and to secure loans for such State bank or trust company on paper containing the endorsement of the applying nonmember banking institution.

But why was it that the Robinson bill did not come to this House until the third day after it had passed the Senate? Why was it that when it did come it was no longer the Robinson bill but a completely remodified draft known as the "Steagall bill"? The fact is that the Robinson bill, as it passed the Senate, had not even been submitted to the legal division or the drafting division of the Federal Reserve Board in the Treasury Department. Its passage by the Senate was the first notice of its existence which certain eminent authorities on our banking law and the Federal Reserve System had been given.

Fortunately, there are sound men in the Senate and the Treasury Department who understand the value to national credit of maintaining the soundness of the credit facilities of the Federal Reserve System. Fortunately, there are those who still appreciate that the Federal Reserve System has held the line against a widespread attack upon the credit structure of our entire banking system. These men know that the Federal Reserve System is today holding the last line of trenches in this gigantic war against sound credit. These men realize that any legislation which, even by the mere possibility of its improper administration, may weaken the credit facilities of the Federal Reserve System is a threat to the credit of the Government itself.

The Robinson bill was unsound in the extreme. It would have put a strain upon the Federal Reserve banks of the Nation by unsound State banks. It contained no provisions, as does the present bill, limiting its operations to sound nonmember State banks. It did not even contain a provision for the issuance of any currency to cover the loans which it sought to authorize. Such a provision is now to be found in the pending bill on page 2, beginning with line 17.

Again, it was discovered that the Robinson bill would have permitted unsound nonmember State banks to tap the credit of the Federal Reserve banks without assuming any obligation whatever to maintain balances by way of deposit with the Federal Reserve banks during the indebtedness incurred by loans. Therefore the provision was written into the present bill requiring nonmember State banks who make loans from the Federal Reserve banks to maintain the reserve balance required by section 19 of the Federal Reserve Act during the existence of such indebtedness.

It was further insisted that an additional provision to the original Robinson bill should be made giving the President the power, by proclamation, to declare this proposed legislation nonoperative at any time he sees fit. It was only when such additional safeguards had been written into the pending bill that the Federal Reserve Board at length, but most reluctantly I am informed, consented to let the proposal go by without a protest. This reluctant consent on the part of the Federal Reserve Board doubtless was given because it realized that under the terms of the bill as we now have it in the House no unsound State banks could be accommodated.

What do I mean when I say that under the terms of the present bill no unsound State banks can ever obtain any relief if it becomes law? If you will turn to page 2 of the bill, you will note another provision additional to the terms of the Robinson bill as it passed the Senate. The provision is to the effect that when—

Any State bank or trust company not a member of the Federal Reserve System—

Applies—

to the Federal Reserve bank in the district in which it is located \* \* \* said Federal Reserve bank, in its discretion and after inspection and approval of the collateral and a thorough examination of the applying bank or trust company, may make direct loans to such State bank or trust company under the terms provided in Section 10 (b) of the Federal Reserve Act, as amended by section 402—

of the Emergency Act of March 9, 1933.

Not only that, but if you will read further, you will find that another provision has been written into the pending bill making it necessary before such loans can be made that the Federal Reserve bank must receive in writing from the State banking department or commissioner of the State from which the State bank or trust company has received its charter, a statement—

That in its judgment said State bank or trust company is in a sound condition.

I repeat, then, that under the terms of the pending bill no unsound State bank or trust company can ever secure any relief. All this talk about the necessity of passing this bill in order that thousands of closed banks may open is therefore absurd. Before this bill can become law sound State banks and trust companies will have opened their doors under a license from the Federal authorities in pursuance of the Emergency Act of March 9.

The enactment of this bill into law will never help to open the doors of a single unsound State bank or trust company. I repeat that this bill is a mere gesture by the present administration to State banks. The Robinson bill when it passed the Senate was more than a gesture. It was a dangerous innovation. It opened wide a door through which unsound State banks might have brought extreme pressure and strain upon the Federal Reserve banks. Its modified redraft, namely, the Steagall bill now before the House, has been so circumscribed with provisos and safeguards that it gives no borrowing power to sound State banks which they do not have under existing law. I am opposed to the passage of any bill which amounts merely to a gesture.

Under existing law only those State banks are members of the Federal Reserve System which make voluntary application for membership and comply with the System's requirements. There are, therefore, and have been since the Federal Reserve Act was written, several thousand State banks and trust companies which are not members of the Federal Reserve System. Such banks have been accustomed to re-

ceive credit accommodations through correspondent member banks. These correspondent member banks have profited by large deposit balances kept with them by the nonmember State banks. The correspondent member banks therefore have very generally encouraged nonmember State banks to remain outside the Federal Reserve System.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. BEEDY. Not now. The gentleman will please excuse me for lack of time.

Mr. GOLDSBOROUGH. Will the gentleman yield right at this point.

Mr. BEEDY. No. The gentleman will please excuse me. He will soon have some time of his own.

Why am I referring to these correspondent member banks? You shall see presently. I desire to read from section 19, page 47, of the Federal Reserve Act. This provision has been law, I believe, from the passage of the original act in 1913. I quote:

No member bank shall act as the medium or agent of a non-member bank in applying for or receiving discounts from the Federal Reserve bank under the provisions of this act, except by permission of the Federal Reserve Board.

Unless the Federal Reserve Board gave its permission for member banks to act, as the agent of a nonmember bank in applying for or receiving discounts from the Federal Reserve bank, the correspondent member bank was powerless to take the paper of any State bank or trust company bearing the endorsement of the State bank or trust company and procure a loan on it from the Federal Reserve bank. What they did do and what they have done for years was this: The correspondent member bank took the paper of the State bank or trust company which applied for a loan, put its own endorsement on the paper of the applying bank or trust company, and secured upon such paper of the State banking institution the desired credit accommodation.

However, within a day or two after the passage of the emergency bank legislation on March 9, 1933, the Federal Reserve Board passed a vote granting authority to correspondent member banks to act as the agent for applying nonmember State banking institutions during the present emergency.

Today, therefore, under existing law, any sound State bank or trust company can take its promissory note or paper bearing its endorsement to its correspondent bank, which, in turn, may deposit such note or paper of the State institution with the Federal Reserve bank and procure the desired credit. I repeat, that under existing law any sound State bank or trust company—and that is the only kind of a State banking institution covered by the pending bill—may secure just as much accommodation from a Federal Reserve bank on its own promissory note or paper bearing its endorsement as it could secure if the present bill were enacted into law.

Mr. BLANTON. Will the gentleman yield?

Mr. BEEDY. Not now.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. BEEDY. No.

Mr. GOLDSBOROUGH. I only want to ask the gentleman if he is for the bill or against the bill.

Mr. BEEDY. I am against the bill because it is merely a gesture to State banks. It would lead unsound State banks to believe that its passage would result in the extension of credit to such banks by the Federal Reserve banks. It will accomplish no such purpose. I am opposed to any legislation which misleads the public.

When the illegitimate child, known as the "Robinson bill", was left on the doorstep of the United States Senate it was innocent enough in its outward appearance, but after its adoption by the Senate it was subjected to careful scrutiny. This scrutiny disclosed the fact that the attractive child was not only of doubtful parentage but was in every way capable of sucking from the credit supply of the Federal Reserve System sufficient nutriment in the form of loans to temporarily resuscitate undernourished State banking institutions. Whereupon very effective devices were employed to wean the child and to disguise its former identity. In its present guise



it is offered to the House for adoption under the plea that the child is still healthy, and though weaned of its first supply of milk is nevertheless able to secure rich nourishment in the form of credits for languishing State banks.

The truth is, I repeat, this infant prodigy, soon to be known as the "Steagall-Robinson bill", is now able to secure nourishment only for those State banks which are already well supplied or which have available sources of supply within ready access.

As a practical matter, if the pending bill should ever become law, many unsound State banks and trust companies would rush to avail themselves of its aid only to be disillusioned and disappointed. They would first be forced to submit to a thorough examination by the agents of the Federal Reserve bank in their district. The physical limitations involved in an attempt to make thorough examinations of all State banks applying for credit would necessarily involve the passage of time whose extent is not to be depreciated. They would also be forced to exercise every pressure upon their State banking departments to secure from State bank commissioners a written statement that the applying State banking institution was in a sound condition.

After the lapse of time, examination of all unsound applying State banking institutions would disclose the true facts and the loan would, of necessity, be denied. For one, I refuse to become a party to inveigling our State banking institutions into any such a mockery and disillusionment.

In this hour of emergency I stand only for such bank legislation as will serve to buttress and strengthen the credit structure of the Nation. The whole is greater than any part. The well-being of the majority of the people, who have their deposits in banks and must rely upon preserving existing credit facilities in sound banks, should be our first concern. We should make no false gestures at this time. We should hold out no misleading hopes. We should do everything possible to save the Federal Reserve System and those sound State banks which are holding the fortress of national banking credit. This is a time when every sound State bank should be induced to become a member of the Federal Reserve System. No move should be made by the Congress at the present time which will in any way encourage sound nonmember State banks to remain outside the Federal Reserve System. If we can not strengthen the credit facilities of that System and hold it intact in this emergency, then we may look to see the Government's credit wholly destroyed, with attendant suffering upon millions of people. In my judgment, the pending bill is in no sense calculated to contribute to any such desirable result. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, I yield to the gentleman from New York to make a request.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a telegram from the Governor of my State, Governor Lehman, to a Member of the Senate.

The SPEAKER. Without objection, it is so ordered.

Mr. CELLER. I rise to propound a question as to a difference of opinion that now exists concerning section 304 of the emergency bank relief bill.

This section enables member banks to issue preferred stock which shall be nonassessable for debts or deposits. States like New York, Maryland, and others are unable under their statutes and constitutions to have their State banks issue stock unless it provides for double liability and is assessable to make up deficiencies for the payment of deposits and debts.

Section 304 permits the Reconstruction Finance Corporation to subscribe to preferred stock of any State bank. It also permits the Reconstruction Finance Corporation to loan upon the whole or any part of such preferred stock. Reading section 304, together with the other sections of the bill, there is, to my mind, a clear indication that the preferred stock must be nonassessable before the Reconstruction Finance Corporation can loan thereupon. If that is the case, then my State, New York, is discriminated against,

since its State banks cannot issue bank stock unless it incurs double liability.

Governor Lehman, of my State, is anxious about this matter, and has sent the following telegram:

New York State banks and trust companies, both member and nonmember, are prohibited by the State constitution from issuing stock, preferred or common, without double liability. Other States have similar restrictions. These institutions would therefore be denied benefits of section 304 of the Bank Relief Act, if the language of this section refers to nonassessable stock only.

Is it not possible to have this doubt removed by including in Senator ROBINSON'S proposed amendment to the act a provision authorizing the Reconstruction Finance Corporation to buy or loan against debentures or other obligations subordinate to deposit liability, which obligations shall have a position at least equal to that of preferred stock?

I have asked the chairman of the Banking and Currency Committee, Mr. STEAGALL, if it is the intention of his committee and of the similar committee in the Senate to provide some amendment which would authorize the Reconstruction Finance Corporation to buy or loan against debentures or other obligations of the State banks, which obligations shall be subordinate to deposit liabilities. The gentleman from Alabama [Mr. STEAGALL] informs me that it is his purpose and that of his committee to cover this situation to the satisfaction of Governor Lehman. He implies that this may be done in conference. This, of course, satisfies me. However, I shall again refer to the matter unless there is performance of the promise.

Mr. GOLDSBOROUGH. Mr. Speaker, in my time I yield to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I am for this bill. It in effect provides that the Federal Reserve banks may make loans to nonmember State banks under practically the same conditions that loans are made to member banks. It will place all State banks on an equality with national banks in securing loans from the Federal Reserve. It will destroy a very obvious benefit that the member banks have obtained, which has placed nonmember State banks in these times of stress and depression at great disadvantage.

Those financial institutions which in the opinion of the people have the greatest stability, whose resources, they believe, are the most liquid, are given their confidence, and the others are always in danger in times of stress of large withdrawals, which they are often unable to meet.

The advantages in these times national banks have enjoyed by reason of having the opportunity to liquefy their assets have worked a great hardship on the nonmember banks. The passage of this measure, while primarily helping the State banks, is essentially for the welfare of the manufacturing, commercial, industrial, and agricultural interests, whose prosperity is dependent upon their continued solvency and operation.

There are in the United States, exclusive of the Territories and possessions, 12,958 State banks, with total resources as of June 20, 1932, of \$34,584,838,000. As of December 31, 1932, there were 805 State banks, members of the Federal Reserve, with resources of \$12,991,000,000. State banks, with almost \$22,000,000,000 of resources, are not members of the Federal Reserve, and will be the beneficiaries of this legislation. In New York alone the assets of the 487 State banks were \$6,732,950,000. In the State of Kentucky there were 362 State banks, with resources of \$248,031,000.

The mere reading of these figures will indicate the importance of the financial soundness of the State banks to the business interests of our country. Every community is dependent to a large extent upon them. Banks, as we all know, are entirely dependent upon the confidence of the people. The psychological effect of the passage of this bill will be of inestimable benefit, even though no bank may ever avail itself of the privileges. Every bank that fails brings fear and lack of confidence to the community. Every bank failure destroys the trust of the people in all other banks. This bill, if enacted into law, will not only save the many State banks by reestablishing confidence but will have a very helpful effect upon the banking interests in general, including national banks. If the bill should fail of passage,

it will cause large withdrawals from State banks for re-deposit in national banks or for hoarding, which will have a most disastrous effect on the general welfare.

It is most constructive and essential legislation to maintain the financial stability of our institutions for the reestablishment of confidence, upon which will be built the restoration of our prosperity. [Applause.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. CARY].

Mr. CARY. Mr. Speaker, ladies and gentlemen of the House, during this great national crisis the Congress is compelled to enact emergency legislation to meet the demand of the hour. During the few days this present Congress has been in session, under the leadership of our great President, much has been accomplished to meet the emergency and bring relief to a stricken Nation.

By his fearless and brilliant leadership and by prompt response of the Congress the country is on an upward trend and we are on the road to recover in a manner that is astounding and which will, I believe, in a short time lead to a normal economic condition and to a great national prosperity.

His superb leadership is meeting with a splendid response from all the people of this Republic in every walk of life, irrespective of party affiliations. This is indicative of the faith of the American people in our form of government under real leadership, the kind of leadership that has been produced in every hour of crisis in our national life. Faith and confidence has been restored in our people and fear has been dispelled. May we continue to follow President Roosevelt until his program is completed and this Government is again functioning for the benefit of the great masses of our people.

When he took the oath of office as Chief Executive of this Nation on the 4th day of this month he assumed far greater responsibilities than any other man in that position had ever assumed before. The country's business was prostrate; our economic system was in a state of complete collapse and our entire banking system from one end of the country to the other had failed. Fear, gloom, and despair enveloped the whole people and pandemonium reigned everywhere. But this man of the hour, the deliverer of the American people, assumed his herculean task with a coolness, deliberation, and determination that immediately made him the master of the situation which instilled confidence in the Congress and the American people of his ability as a leader in an hour of national peril.

His first step was to recommend to Congress legislation to provide relief in the existing national emergency in banking, and it was a great emergency, as every bank in the United States was closed at that time and business was at a standstill. Following his recommendation, Congress promptly enacted H.R. 1491, which amended the Federal Reserve Act and extended aid to banks that are members of the Federal Reserve System and enables them to borrow needed money from the Federal Reserve banks under certain conditions upon collateral paper they had not heretofore been able to borrow upon, under the law. This act has brought prompt relief to many banks and enabled them to reopen which could not have opened otherwise and has thereby saved many communities from the devastating effects of bank failures. This act, however, did not extend these benefits to State banks that are not members of the Federal Reserve System, and we find that many small State banks are unable to open, and those banks and the communities which they serve can not get the benefit of the aid provided in the original act. Certainly these State banks and the people served by them are entitled to as much consideration by this Government and should be helped in the same way as the national banks and the large State banks that are members of the Federal Reserve System.

Mr. Speaker, the bill we have before us, which is reported by the Committee on Banking and Currency, H.R. 3757, is merely an amendment to the bill recommended by the President and passed by Congress a few days ago. This bill

simply extends the provisions of that act so as to give the benefits to State banks and trust companies which are not members of the Federal Reserve System. It provides that any State bank or trust company not a member of the Federal Reserve System may apply to the Federal Reserve bank in the district in which the applying bank is located and the Federal Reserve bank, at its discretion and after inspection and approval of the collateral and a thorough examination of the applying bank or trust company, may make loans to such State bank or trust company. In other words, it merely puts State banks and trust companies which are not members of the Federal Reserve in the same position as member banks during this emergency and extends the help and benefit of the law to them without compelling them to become members of the Federal Reserve System, which would require considerable time to do and would compel them to subscribe for stock in the Federal Reserve bank and, in this present condition of banks, they should not be required to invest any of their assets in stock in the Federal Reserve banks nor wait the delay that would be occasioned for them to become members. They are required, however, to maintain the reserve balance required by the Federal Reserve Act, and this is a fair provision and can meet with no serious objection.

This is temporary emergency legislation and a part of the President's relief program for banking and should be passed by the House at the earliest possible moment. It is fair and just and would result in great benefit to the small State banks all over the country. It perfects the original bill passed by Congress and extends relief to the little bank and big bank alike. May we pass it without delay. We should have no delay whatever in enacting into law temporary emergency legislation recommended by the President at this critical time. Delay in our action here now may mean disaster to many sections of the country. Promptness with which this Congress has responded to the demands of our leader has had a wonderful effect upon the business of this country, and this House cannot now afford to falter or hesitate for one moment in providing every means of relief possible to the people.

We know and the country knows that our present banking system is a complete failure and will not function in an hour of need. When the necessary emergency legislation is passed and we have rescued the country from the depths of depression, this Congress must then set itself to the task of building a new and modern banking system, one that can carry on both in times of prosperity and depression and that will not permit a few bankers in Wall Street to control the entire system and wreck and ruin the Nation. We must have such a system that will be sound at all times and that will afford absolute security for the depositing public. I am convinced that the only way to stop hoarding completely and restore the confidence of the people in banks is to have a Federal guaranty of bank deposits with the strictest possible supervision of banks. This the people demand and will eventually have.

I urgently insist that the bill before us be passed at once that many State banks throughout the country may be saved. [Applause.]

Mr. BEEDY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection?

Mr. BLANTON. I reserve the right to object, though I do not intend to object, merely for the purpose of asking a question. The gentleman from Maine [Mr. BEEDY] in his speech complained that this bill now before us would not permit any unsound bank to open. I want to ask him whether he is in favor of opening up any unsound State banks?

Mr. BEEDY. No.

Mr. BLANTON. I felt sure that he was not. I am not in favor of permitting any unsound bank to open its doors. It is the interests of the depositors I want to protect. There have been entirely too many unsound banks just drifting along preying upon trusting and credulous depositors. Not one of them should ever again be permitted to do business.

There is quite a difference between a bank honestly managed with frozen assets that are good, which with help and time can get back on a good footing again, and a bank dishonestly managed, with assets practically worthless, which can never be sound again, no matter what help and time is given it. One is a sound bank. The other is an unsound bank. It is the sound banks, temporarily crippled by frozen assets, that are to be given help and time by this bill. They are entitled to help. This Government will lose no money by helping them. But it would be throwing public money away, worse than pouring water into a prairie dog hole, to make loans to unsound banks with worthless assets, that would never pay back the loans, and would never be sound again.

And in such connection I want to say again, as I have said many times before, that before we adjourn this Congress must pass proper legislation to guarantee 100 percent all bank deposits, which in my judgment is the only way to again stabilize the banking business.

I have no objection to the request of the gentleman from Maine.

The SPEAKER. Is there objection?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield myself the balance of the time. This bill at this time is absolutely necessary in order to save about 50,000,000 of those who are either depositors in State banks or who are dependent on depositors in State banks.

When this emergency legislation was passed last Thursday week the nonmember State banks were left out of the picture entirely. All this does is to give State banks the same access to this emergency money that other banks have. This bill does not give the nonmember State banks access to the ordinary Federal Reserve notes. It simply gives them access to these emergency notes, just as the national banks are given.

I want to say this to you: There are about 14,000 State banks in this country; there are 9,000 who have never applied for loans from the Reconstruction Finance Corporation; they have been closed up without any fault of theirs. All this bill does is to give them on the same kind of paper the same access to the emergency money that other banks have.

I want to say for the benefit of those who heard the gentleman from Maine, that the gentleman from Alabama [Mr. STEAGALL] and I have hardly slept for 10 days trying to get something before the House that could be passed to help depositors in State banks. I want to say to Members of Congress and to the people of the country that they should be forever indebted to the work done by the gentleman from Alabama [Mr. STEAGALL] in bringing this bill before the House. [Applause.]

The only purpose of the amended Emergency Act was to expand the currency; that was the purpose of it, and when it was passed it left out the State banks.

When the State banks began to close by reason of the fact that they had not access to the emergency currency, that brought about a deflationary process, and it tended to counteract the inflationary process of the Emergency Act. It did something else. As soon as the State banks began to fail because of the fact that they had not access to this fund, that immediately frightened depositors in all banks, and banks immediately began to hug their money to themselves, as they have done in the past, so that unless the State banks are let into this picture you have not done a thing except to postpone the entire collapse of the banking system of this country. As long as banks hug this money to their breasts, as long as it does not get out into productive industry, as long as it is kept from circulation, you have a falling price level and a contracted currency, and that continues until it will break every bank in the United States.

The sole purpose of this legislation is to prevent the collapse of the banking structure in this country until there is a deflationary process, and this emergency money constitutes a deflationary process if all of the sound banks are given access to it. It is a practical proposition; it is not a technical proposition.

Before the emergency legislation was passed the gentleman from Alabama [Mr. STEAGALL] and I bemoaned the fact that the State banks were not in. The legislation came from the President immediately after his inauguration. It had to go through as it was. We could not do anything with it then, but we immediately realized that if the State banks were not let in the currency would not be expanded and that State banks that were perfectly solvent would close by the hundreds. Realizing that the deposits of 50,000,000 people and their dependents would be unnecessarily wiped out and destroyed, we began to work on this legislation, which puts the State banks in the same category as the member banks. When I say that I mean that I assisted the gentleman from Alabama [Mr. STEAGALL], but the gentleman from Alabama is responsible for the fact that we have the cooperation of the Treasury Department and of the President of the United States. There is not any legislation in existence that will let the State banks enter the picture if this bill is not passed. I say frankly, and I say it with all courtesy, that I do not know whether the gentleman from Maine [Mr. BEEDY] is for this bill or against it.

Mr. BEEDY. Does the gentleman want to know?

Mr. GOLDSBOROUGH. The gentleman did not yield to me, and I cannot yield to him, but I say further that there is no such legislation. The gentleman from Maine had reference to the Wagner bill, which was passed in July 1932, which provides that upon the affirmative action of five members of the Federal Reserve Board, individuals, partnerships, and corporations can, under certain conditions, secure money from the Federal Reserve banks.

Mr. BEEDY. Mr. Speaker, I rise to a point of order. I made no reference to that in my remarks.

Mr. GOLDSBOROUGH. I presume that is the legislation that the gentleman had reference to.

Mr. BEEDY. I made no reference to it and I did not have it in mind.

Mr. GOLDSBOROUGH. Then I say that that is the only legislation that he could have had in mind, because it is the only legislation that bears on the question. In August of last year—1932—the Federal Reserve Board in its August number of the Federal Reserve Bulletin expressly declared that within the meaning of the circular the term "corporation" did not include banks, so that State banks did not have access to the Federal Reserve banks under the Wagner bill, as construed by the Federal Reserve Board. When the Robinson bill passed the Senate, I called up the Governor of the Federal Reserve Board and I said, "The Robinson bill only lets in State banks as to ineligible paper, and I presume that the Federal Reserve Board has changed its ruling and is going to let State banks in now under the Wagner bill." He replied, "No; the Federal Reserve Board has not changed its attitude. The conception of the Federal Reserve Board is that the Wagner bill, when it speaks of corporations, does not include banks, and they cannot secure money under the Wagner bill." Therefore the only thing that we could do to let the State banks have access to this emergency money and save their depositors and save another series of bank failures and save a further deflation of the currency, was to try to get this legislation through. That is the history of it, I say to the Members of the House, and that is all there is in it.

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

Mr. GOLDSBOROUGH. For a short question.

Mr. HOLMES. Every nonmember bank in sound condition today can by application join the Federal Reserve System now.

Mr. GOLDSBOROUGH. It would take several months for them to do it, and they could not be reopened.

Mr. HOLMES. I said sound banks.

Mr. BRIGGS. The passage of this legislation will make it possible for the State banks immediately to get the aid and benefit of this emergency currency.

Mr. GOLDSBOROUGH. They can get aid immediately, and it is only during the emergency and during the time until the President shall proclaim that the emergency is over that they have access to this fund.

If it is desired that they should come into the Federal Reserve System—and I do not think it desirable they should be forced into it—they can be notified that at the end of this emergency they will not have any further access to this money, but it is absolutely necessary now; and I hope, and I believe I speak from knowledge, that for the sake of the country, for the sake of the distressed depositors in the State banks, in order to prevent another period of collapse and fear, no single Member of this House will register his vote against this legislation, so necessary for the preservation of the peace and happiness and prosperity of this country. [Applause.]

The SPEAKER. The time of the gentleman from Maryland has expired. All time has expired.

The question is on the motion of the gentleman from Alabama [Mr. STEAGALL] to suspend the rules and pass the bill.

The question was taken; and two thirds having voted in favor thereof, the rules were suspended and the bill was passed.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendment of the House to the joint resolution (S.J.Res. 14) entitled "Joint resolution authorizing the President of the United States to expend \$5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. MCKELLAR, Mr. KENDRICK, Mr. HALE, and Mr. KEYES to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3341) entitled "An act to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HARRISON, Mr. KING, Mr. WALSH, Mr. REED, and Mr. COUZENS to be the conferees on the part of the Senate.

#### RELIEF OF EARTHQUAKE-STRICKEN COUNTIES IN CALIFORNIA

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BYRNS. Mr. Speaker, Hon. CHARLES KRAMER, of California, has been ill for several days and unable to attend the sessions of the House. For that reason he was not able to be present when the House considered the proposal to relieve earthquake sufferers in California. He asked me to read to the House a telegram, which I am going to do, with your indulgence:

Hon. CHARLES KRAMER,

*House Office Building:*

We are very much disturbed over failure of Congress to appropriate \$5,000,000 for relief and rehabilitation of families and small individuals. This is pressing need, and relief must come immediately if we are to successfully cope with situation in earthquake area. Situation cannot wait for Nation-wide appeal for Red Cross funds, and whatever can be secured by that process will be needed in any event. Also important that some action be taken to secure from Reconstruction Finance Corporation funds for rehabilitation of business, public, and school buildings, to be repaid over long period of time and at lowest possible interest rate. Banks and financial houses here cooperating fully, but will not be able to handle bulk of necessary rehabilitation loans.

W. S. SIMPSON,

*President Los Angeles Chamber of Commerce.*

#### AGRICULTURAL RELIEF

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until 12 o'clock tonight to

report a rule relating to the agricultural relief bill. I do that for the purpose of obviating any necessity for taking a recess this afternoon.

Mr. SNELL. Reserving the right to object, and I am not going to object if I can get a little light on the program, I wish the majority leader would tell us what the program is in connection with the consideration of this bill and other matters that are liable to come forward in the next few days.

Mr. BYRNS. Mr. Speaker, I think the time for hurried action on these bills has passed, to an extent at least. I have no disposition, as one Member of Congress, to deprive any Member of the House of the right to express himself upon any legislation that may come before it. While I do not know what the Rules Committee may do with reference to the agricultural relief bill, I do hope and I feel sure they will give ample time for discussion. I believe that in the future, since we now have standing committees, that all bills unquestionably should go to the proper committee and afford such committee ample time to give full consideration to the bill before reporting it to the House.

The gentleman will recall that I have only made three requests for unanimous consent to pass legislation. One was the banking bill, which everybody knew was urgent. The other was the economy bill, which the House very kindly granted, because both of those bills were passed before standing committees had been appointed. The other was in relation to the so-called "beer bill" which had been considered by the Ways and Means Committee and was on the calendar.

Mr. SNELL. I am very glad the gentleman has made this statement to the House, because I entirely agree with him that the time has passed when we should rush legislation through without reasonable consideration. Now, this farm-relief measure that is coming before us is very important. It is probably one of the most important measures that will come before the House this session. It is very complicated in every respect. I do not know whether there have been any hearings on the bill so as to give the House ample information, so I hope that whatever rule the committee brings in will provide a reasonable time for discussion, and that we may know what we are doing at least, before that bill is passed by the House.

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

There was no objection.

Mr. BYRNS. Mr. Speaker, I also ask unanimous consent that the Committee on Agriculture have until midnight tonight to report upon the agricultural relief bill now pending before the committee. I make the same request relative to the report of the conferees on the beer tax bill.

The SPEAKER. Is there objection to the two requests of the gentleman from Tennessee [Mr. BYRNS]?

Mr. SNELL. Mr. Speaker, I should like to ask another question. Is it the intention to bring the agricultural bill before the House tomorrow.

Mr. BYRNS. That is the intention, if the committee concludes its consideration today. I think we will have it before the House tomorrow.

I may say in the same connection that the gentleman from Mississippi has asked me to announce that the Committee on Agriculture will meet at 2 o'clock in the committee room of the Committee on Appropriations.

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

Mr. BYRNS. I yield.

Mr. BLANTON. Did I understand the gentleman from Tennessee to state to the gentleman from New York that the farm-relief measure which the President sent up here as an emergency matter is not quite so emergent after all?

Mr. BYRNS. Oh, no, no; I did not say that.

Mr. BLANTON. Then so far as being emergency legislation it is put in the same class with the beer bill?

Mr. BYRNS. I did not intend to convey any impression that it was not important to pass it at the earliest possible moment, because, as the President in his message said, it

was important that it become law at an early date because of the nearness of the spring planting season, but 24 hours would not be fatal to the proposition if by that delay we could give Members an opportunity to know what they are doing when they vote on the bill.

Mr. BLANTON. I hope, then, that the House and country understand that the farm relief bill is as much an emergency measure as was the beer bill and that it is fully as important as the beer bill.

Mr. BYRNS. When we consider the balancing of the Budget, I may say to the gentleman from Texas, we must admit both of them are exceedingly important. I do not think there is anything more important than giving some sort of relief to agriculture.

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

There was no objection.

#### RELIEF OF DISTRESS IN CERTAIN COUNTIES OF CALIFORNIA

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 14, authorizing the President of the United States to expend \$5,000,000 to relieve distress in those counties of California which have suffered from the catastrophe of earthquake in the year 1933, with amendment of the House, insist upon the amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the Senate joint resolution.

Mr. BLANTON. Mr. Speaker, reserving the right to object, is this another Senate bill to grant \$5,000,000 to California, or is it the same one we amended in the House the other day authorizing loans to be made by the Reconstruction Finance Corporation?

Mr. BUCHANAN. This is the same measure which we sent over to the Senate with an amendment striking out the \$5,000,000 and authorizing loans. The Senate did not agree to the House amendment, and now they request a conference.

Mr. BLANTON. This is just a request to send that bill to conference?

Mr. BUCHANAN. That is all.

Mr. BLANTON. I presume the gentleman from Texas has not changed his mind as to his position on the bill?

Mr. BUCHANAN. The gentleman may depend upon the gentleman from Texas doing everything possible to protect the Treasury of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BUCHANAN, TAYLOR of Colorado, AYRES of Kansas, TABER, and BACON.

#### FARM RELIEF

Mr. HILL of Alabama. 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 Alabama?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, the gentleman from New York, the distinguished leader of the minority, has just stated that the farm bill was a very important measure. Surely each Member of the House is interested in this bill.

On last Saturday the Secretary of Agriculture, Hon. Henry Wallace, delivered an address over the radio in which he told the story of the farm bill and gave the main features of this bill. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD by setting out therein the address of Mr. Wallace.

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

There was no objection.

The matter referred to follows:

#### RADIO ADDRESS ON THE FARM BILL BY HENRY A. WALLACE, SECRETARY OF AGRICULTURE

I am sure all of you wish to know as much as possible about the farm bill which the President of the United States sent to Congress Thursday afternoon with a special message. First, however, let me tell you the story of how this bill came into existence.

The farm problem, as you know, is very close to the heart and mind of President Roosevelt. When he became President, his first duty was to meet the banking crisis. But as soon as he had met the crushing emergency of that problem, his mind turned to the agricultural situation, and as a result I sent out a hurry-up call to the leaders of agriculture to meet with me on Friday of last week.

At that meeting were men who had spent a lifetime in cotton, wheat, hogs, corn, dairy, etc. Because of the necessity of attending a Cabinet meeting, and for other reasons, I was unable to sit with this group of farm leaders for more than a few minutes. Assistant Secretary Rex Tugwell, therefore, presided.

It seems that after extended debate the farm leaders reached the conclusion that no one plan of production control could serve all the major farm crops equally well. A plan that might work well with wheat might not work so well with cotton. The farm leaders realized, in a word, that different methods of production control would have to be used for different farm products. They also realized that, as the plan went into effect for any crop, a method that had looked good on paper might not work out so well in practice. Accordingly, they wanted to give the administrators of the plan leeway to modify their methods whenever necessary.

Above all, the farm leaders wanted something practical and they wanted it quick. They therefore recommended that very broad powers be conferred on the President and the Secretary of Agriculture to deal with the national emergency. Their recommendations, in general, were in line with the Topeka speech made by President Roosevelt last fall.

The next step was to give these recommendations legal form. Because of the constitutional problems we found this exceedingly difficult, and it was not until day before yesterday that we were sufficiently satisfied with the job to pass it on to the President.

In the meantime representatives of the packers, the millers, the cotton spinners, and the grain exchanges came to Washington in large numbers. Many of them told me they intended to cooperate in every way possible in case the bill became law. I told them that for my part I wanted to draw to the limit on their technical knowledge and long years of experience.

So much then for the steps leading up to the introduction of the bill into Congress. The farm leaders kept their pledge to stay in session until they could agree upon a plan to affect this year's crops; we have drafted a bill to implement their plan; the President has sent it to the Capitol, and now the question of farm relief is in the broad lap of Congress.

Now for the things the new farm bill proposes to do.

Its basic purpose, first of all, is to increase the purchasing power of farmers. It is, by that token, farm relief, but it is also by the same token, national relief, for it is true that millions of urban unemployed will have a better chance of going back to work when farm purchasing power rises enough to buy the products of city factories.

The method to be used in increasing the farmer's purchasing power is by restoring the balance between production and consumption as rapidly as possible. Let us help the farmer, the bill says in effect, plan his production to fit the effective demands of today's and tomorrow's—rather than yesterday's—market.

The goal of the bill, in terms of price, is pre-war parity between the things the farmer sells and the things the farmer buys. Let me explain that. In the pre-war years, 1909 to 1914, wheat brought around 88 or 90 cents a bushel on the farm, cotton better than 12 cents a pound, and hogs better than 7 cents a pound. But at the same time, the prices of the things the farmer had to buy—his fertilizer, farm machinery, and the like—were on a comparable level. In general, these items bought by the farmer were a little lower than they are right now. But the prices the farmer got for his wheat and cotton and hogs were, in those pre-war days, more than twice as high as they are now. It is that gap that we want to bridge. And this bill provides the bridge.

To reach that goal—a goal not to be attained, perhaps, in one brief year—the bill gives the Secretary of Agriculture these powers:

(1) To obtain, by contract with farmers, a voluntary reduction in acreage or production of certain crops, in return for which reduction producers will be compensated by means of rental or benefit payments.

(2) To enter into marketing agreements with producers, marketing agencies, and processors of farm products. The intent of this provision is that there may be organized commodity councils which will include both growers and processors of a crop. These councils will help determine which plan of acreage reduction, what scale of taxation on the processed goods may be wisest. The recommendations of the council will then be considered by the Secretary of Agriculture before any regulations are issued.

(3) To license processors and distributing agencies that handle agricultural products in interstate or foreign commerce, in the event that such licensing becomes necessary in order to achieve the purposes of the bill.

(4) To use the Smith cotton-option-contract plan on the 1933 crop of cotton.

(5) To impose taxes on the processing of the basic farm products. The amount of the tax, however, cannot be greater than is required to bring the market price up to the pre-war parity price. Thus, if wheat is selling at 50 cents a bushel, whereas the pre-war price was 88 cents, there is a difference of 38 cents a bushel. The tax on flour might, therefore, be as much, but no more than, 38 cents (considering flour in terms of bushels of wheat). The chances are that the tax would start at a relatively

low figure, so as not to restrict retail sales of flour and thus reduce consumption.

The purpose of the tax, of course, is to collect funds with which to compensate those farmers who have contracted to reduce their production of the commodity so taxed.

The basic products to which the bill may apply are these: Wheat, cotton, corn, tobacco, rice, hogs, cattle, sheep, and milk and its products. But before any move is made to tax any one of these products, or to attempt a reduction in production, it will be essential to call in the representatives of both producers and processors of the product involved. With their help, we can work out for each commodity that method of production control, of taxation, and compensation, which offers the best hope of success. Under the taxing power, furthermore, there is provision for public hearings, so that in each step of the way we shall have the expert advice of those directly interested.

As I have said, different methods of production control may be applied to different crops.

Thus in reducing the production of hogs, the best method may be for the Government to pay the hog producer rent on a specified amount of his corn land, provided he retires that acreage from corn production and also restricts the tonnage of hogs marketed.

For a crop such as wheat, the rental or benefit payment may be based primarily upon a reduction in acreage of wheat, with certain provisos as to alternative uses of the land so rented.

Under the bill the Secretary is also at liberty to rent land in large tracts or in selected regions, or to allot the sums for land rentals by States and counties, so that every producer will have an equal opportunity to rent a part of his land to the Government and to receive rental payments.

Nor is the consumer's interest ignored. The consumer is amply safeguarded, first of all, by the fact that the tax passed on to him by the processor declines just as rapidly as the price the farmer receives for his product climbs to the pre-war level. Once pre-war parity is reached, the tax is completely removed. But even more important, the slight contribution the consumer will make through retail prices will be more than compensated for by the revived power of farmers to buy the goods and services the city has to sell. It is provided that in no case will the farmer's share of the consumer's dollar be more than in the pre-war period.

This bill, as the President says, follows a new and untrod path. The successful operation of it depends on the whole-hearted cooperation of farmers, processors, and consumers. Has the time come when all elements of our society are willing to pull together to restore economic balance and attain social justice?

It may be true that the things which this bill strives to attain here and now may be brought about 10 or 15 years hence by the slow working of economic law. This action, we hope, will speed the inevitable readjustments with much less suffering than under the harsh hand of uncontrolled competition.

Some farmers join with urbanites in repudiating with horror the idea of reducing production at this time. They point out, very properly, that the world is full of hungry people and that the great quantities of surplus foodstuffs should be used to feed them. No supporter of this new farm bill will disagree with this as an ideal program.

As our economic system works, however, it seems that the greater the surplus of wheat on Nebraska farms the longer the bread lines in New York. In a complicated world system of exchange it seems to be necessary to maintain a balance between different groups of producers if we are to avoid suffering. Our surpluses of food crops seem to have had as disastrous an effect upon national well-being as crop shortage used to have on the isolated communities of a simpler age.

This bill attempts a major social experiment. It looks toward a balanced social state. It is trying to subdue the habitual anarchy of a major American industry and to establish organized control in the interest not only of the farmer but of everybody else.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ROBERT F. RICH (at the request of Mr. DARROW), indefinitely, on account of illness.

To Mr. BLANCHARD (at the request of Mr. FREAR), for 2 days, on account of business.

To Mr. HANCOCK of North Carolina (at the request of Mr. WARREN), for 2 days, on account of the death of his secretary.

To Mr. ELTSE of California (at the request of Mr. CARTER of California), for 3 days, on account of death in family.

#### MESSAGE FROM JAPANESE HOUSE OF REPRESENTATIVES

The Chair laid before the House the following telegram, which was read:

TOKYO, March 14, 1933.

His Excellency HENRY THOMAS RAINES,  
Speaker House of Representatives, Washington, D.C.:

We are very much grieved to learn tragic disaster of earthquake which has recently befallen south California. On behalf of House of Representatives of Japanese Empire I beg to present you my sincere sympathy.

AKITAKIYOSHI.

#### DEFENSE OF STATE BANK DEPOSITORS—EXTENSION OF REMARKS

Mr. AYERS of Montana asked and was given permission to extend his remarks in the RECORD.

Mr. AYERS of Montana. Mr. Speaker, actual physical facts, yes, stern realities and not theories, are confronting us on the banking situation today. No living person has ever witnessed a condition the like of that which reached its climax a few hours before the President was inaugurated. In addition to the unemployment situation, the bankruptcy of the entire agricultural industry, and the centralization of so large a percentage of all the money of the Nation into the pockets of the few, our financial structure collapsed in the President's very face as he was ascending the platform to take the oath of office. If ever a country was in a perilous condition, if ever a country demanded immediate bold leadership, it was our country at that instant.

President Roosevelt assumed that role. His first official acts were to proclaim a bank holiday and to convene Congress into extra session that it might pass emergency legislation on the subject. Now, obedient to his message, Congress has passed the Bank Conservation Act. This gives the Chief Executive and his subordinate officers absolute and effective control of the national banking system and the Federal Reserve System, as well as all coin, bullion, and currency of America. There are provisions in this act I did not like. There are provisions in it that many Members of the Congress did not like, but the people are looking to the President to pull us out of this quagmire into which we are so deeply bogged. With that in mind and with due faith and confidence in our leader, I supported the bill. I believed then, and I believe now, that it should have also contained additional provisions, but it was not subject to amendment in the House; therefore those matters could not be discussed then.

Two paramount subjects I thought should be contained in the bill were, first, the inclusion of State banks; and, second, a guaranty of bank deposits. Of course we all knew these matters could be subjects of later legislation.

#### STATE BANKS

Now at this early date, the first subject, namely the inclusion of State banks, is before us in House bill No. 3757, and in support of that bill I direct these brief remarks.

The country banks, which are mostly State banks and nonmembers of the Federal Reserve, are the ones that have undertaken the financing of the farmer, the rancher, and the little business man of this land. These banks find themselves face to face with a condition that is opening the big banks and locking their doors more securely than ever. I make that statement advisedly because I believe that just as soon as a bank opens, if it cannot come within the requirements and secure the benefits of the act, no matter how strong it may be, the depositors will move to a bank that does enjoy the benefits of the act; hence, under such circumstances the opening of a State bank or any nonmember bank would be followed almost immediately by a locked door containing heavier bolts than the first one did.

The argument is advanced that State banks and banks which are not members of the Federal Reserve, should not be privileged, no matter how solvent or strong, to enjoy the benefits of the Bank Conservation Act, primarily because they have not helped to finance the building up of the powerful Federal Reserve structure. Such argument, in this crisis, is not sound. It is not just. It is not equitable. On the contrary, it is unsound, unjust, and cruel to the extreme. And, you will understand, I am not holding a brief for the stockholders but I am rising in defense and am arguing the case of the depositors and the borrowers of these banks.

If the State bank and the nonmember bank is solvent, and if it can undergo the same scrutiny, and pass the same test, and put up like securities as the others, then in the name of high heaven why should it not enjoy the same privileges and the same benefits, under this emergency act, to the end that its depositors and its borrowers be saved as well as the depositors and borrowers of the member bank. Can anyone say that a depositor should be mitigated against, just because he, in choosing between two banks of equal

stability, happens to choose the one that is not a member of the Federal Reserve? The depositors of these nonmember banks as well as the borrowers from them are largely farmers, ranchers, and toilers—the producers of this Nation—and surely we are not going to fall into the error of the past administration and absolutely forget all those classes of our people.

Aside from what the Government is doing in the way of seed loans in the agricultural areas, these same State banks and nonmember banks, if permitted to open under the act and enjoy like benefits of the act, will be the greatest factor in planting the 1933 agricultural crop. If these banks are left to battle their own way while the other class of banks are assisted, it will simply mean that agriculture will be deprived, at this critical time, of this help to plant the 1933 crop. If Federal Reserve members, assisted by the strong arm of the Government, can take their securities and on them have money issued to pay off their depositors and loan to their customers, while a State bank or nonmember bank, having equally as good securities, has the door to this class of credit absolutely barred against it, then it is unilateral legislation.

This Government surely is not going to discriminate in favor of one class of banks and against another class. Such discrimination would indeed be a discrimination against communities which have only State and nonmember banks. Surely it is the purpose of the Government and the purpose of the President, in this crisis and emergency, not to discriminate but to help all alike. If we do not adopt this bill, which in reality is an amendment to the original Bank Conservation Act, we are going on record for discrimination; and the sad part of it is that if we do not pass this act we are discriminating in favor of the big banks and their depositors and borrowers and against the small bank and its depositors and borrowers; and since the credit of the Nation is used it should apply to all with equal impartiality.

#### GUARANTEE BANK DEPOSITS

On the second proposition, namely, the guaranty of bank deposits, while not included in this proposed legislation, nevertheless is a pertinent subject at this time. A large percentage of the people of my State, and I believe elsewhere, strongly favor having the Federal Government guarantee depositors against loss. It seems that anything short of such guaranty will fail to bring into the banks the usual and normal amount of money where it can be used and made to serve the various commercial and production needs of communities and the Nation. We cannot longer afford to cling to tradition in our banking system when it may be wrecked overnight, so to speak, by a wave of fright which permeates the general public. A system which may be so wrecked or completely paralyzed as ours has so recently been has, in a large measure, outlived its usefulness and is not adapted to our state of modern movement.

This recent crisis has already convinced us that our system must be reformed, reconstructed, and supplemented at least by placing back of it the credit of the United States; for we have now in this emergency act done that. We must go still further if we are to put our banking system back to a place where it in turn can and will put the money of the country to work according to our standard of society. To do this the Government must guarantee bank deposits. That will be a bold step, but it seems imperative that the Government do it. We have started. It has now lent its credit through the Reconstruction Finance Corporation, supplemented by the Bank Conservation Act, to preserve our financial structure. We cannot turn back. We must proceed.

In the last analysis it seems it would be much less expensive for the Government to guarantee the deposits and have a sound, unquestionable financial structure. Our recent experience teaches us that all the banking skill, and all the financial acumen, and all that goes with modern finance, could not even start to cope with our recent difficulties. It was necessary to exercise the strong arm of the Government to save the situation.

Men generally recognize that due to the shrinkage in value of securities, in all forms of personal property, in city real

estate, and in agricultural lands, a strain was cast upon our financial system which unavoidably entailed losses, regardless of the care exercised by bankers. Added to this was the wild orgy of speculation by the bankers—big bankers—themselves. The marvel is that our banks have withstood for so long the pressure incident to the conditions and the behavior, or misbehavior, of the bankers. Now, if the Government guaranteed the deposits, there would be a different class of bank-examining, and bankers would vaccinate against the bug of speculation, and, last but not least, there would be no more Mitchell banking scandals.

No person, however, expects the Government, in guaranteeing bank deposits, to guarantee or attempt to guarantee against past losses; that is water over the wheel, but they do expect the Government to work out a new system under which all future deposits will be guaranteed, a system which will canvass the assets of the various banks, and gradually, as far as possible, extend the guaranty without limit to the depositors of our banks which are found sound and permitted to reopen.

The Postmaster General, by reason of his official capacity and by reason of the assurance he gives his depositors that their money will always be available on demand and returned in full, is the largest and most patronized banker in all the world today. His banking regulations may be somewhat cumbersome and make it inconvenient for depositors at times; nevertheless, his patrons are all well satisfied, because they have the one thing that is to them most desirable—absolute safety—for back of each deposit received by him is pledged the Nation's credit, its taxing power, and all its wealth. Indeed, he is a strong, even though unwilling, competitor with every bank created and organized under the laws of the United States or of any State, and primarily for the reason that he gives to each depositor that which is given by no other bank in the land—absolute safety.

It would be wise, salutary, and decidedly in the interest of our financial structure if legislation could be brought about whereby the Postal Department could go out of the banking business and transfer to our banking structure proper the safety and assurance which is now given to postal depositors. When this is done, practically all of our coin and currency will find its way into the banks and be there ready to serve the legitimate needs of the public.

#### H.R. 3757—EXTENSION OF REWARDS

Mr. TRUAX asked and was given permission to extend his remarks in the RECORD.

Mr. TRUAX. Mr. Speaker and Members of the House, I shall vote for this bill because it provides relief for those financial institutions who up to the present time have been known as the "forgotten" banks. More than \$2,000,000,000 have been loaned by the Reconstruction Finance Corporation to the big bankers of this country. When the Honorable Charles G. Dawes resigned as chairman of the Reconstruction Finance Corporation it was my belief, and I so publicly stated, that he was resigning so that his own bank in Chicago could get its share of the money before the funds were gone. It later developed that Mr. Dawes and associates negotiated a loan of \$95,000,000—this in the face of the failure of thousands of national and State banks. A few large banks in my own State of Ohio—in the city of Cleveland and in other cities—obtained as high as \$15,000,000 by the mere stroke of a pen. These loans were made on the old Hamiltonian theory of "help the few, make the rich richer, the prosperous more prosperous." Then a few drops of those riches and that prosperity will trickle down on the masses below.

Congress created the Reconstruction Finance Corporation upon the pledge and promise of the Hoover administration and the knights of the aristocracy of wealth that its creation would stop the panic, lift the people out of the slough of depression, provide jobs for the unemployed, help the farmer so that he would gaily bestride his high-priced tractor attired unto the like of Solomon, and that prosperity would be even at his door.

So a tragic sequence of events followed. So dismal was the failure, so complete the collapse that Herbert C. Hoover in his campaign for reelection found it necessary in one of his major speeches, which was broadcast to all parts of the country, to devote 20 minutes to the explanation and defense of the raid on the Treasury by Dawes & Co., of Chicago.

Ninety-five million dollars of taxpayers' money was doled out to save this insolvent and erstwhile great financial institution from demolition. Yet at the same moment, Mr. Speaker, the State banks in Ohio and in practically every State in the Union were closing their doors because of the lack of modest loans to save themselves and to preserve and protect the money of their depositors. No attention was paid to these banks—most of them country banks holding mortgages of the farmers, holding the farmers' notes for loans he had procured to pay his taxes, to pay his interest to the money lenders—to the Shylocks who were squeezing the lifeblood from him.

No consideration was given to these depositories of the funds of the common people of this land. In the eyes of the captains of this costly reconstruction ship, these banks represented the little fellows—"the forgotten men" and they were not interested in little fellows or in "forgotten men." They were consecrated to the heroic duty of saving the big bankers, salvaging the railroads, granting new leases of life to the insurance companies, providing new strangling cords for the 36 percent loan sharks so they can carry on their nefarious practice of foreclosing on bankrupted farmers and jobless workmen.

One of the provisions of the Reconstruction Finance Corporation Act in granting loans to insurance companies was that these loans could be used for the payment of delinquent or defaulted premiums and for an extension of time on the payment of interest and principal on mortgaged farms and homes. Betraying every confidence imposed in them, debasing all the respect accorded them by their stockholders—the policyholders—these discredited insurance companies turned right-about-face and with venom and glee sold out, and are still selling out, thousands upon thousands of worthy farmers and homeowners. Worse than that, they have confiscated thousands of homes and farms by due legal process, so we are told, by reactionary courts and lawyers whose concepts of the law and of justice are those of a century ago. New law thinking and modern interpretations of the law in the interest of justice to all, rather than benefits for the few are needed today. Yet each time when the insurance companies get in trouble they cry for help from Government, and that cry is heeded by the State and Federal Government.

In Ohio, within the past 4 weeks, legislation has been enacted for the insurance companies which makes it impossible for policyholders to withdraw the accumulated cash reserve of their policies. Then within the past week another enactment has been made which prohibits mutual insurance companies from paying regular dividends justly and rightly due policyholders. Yet when the premium due the company is defaulted by the policyholder, his policy and insurance, which has meant years of privation of even the necessities of life, is voided, leaving his family and dependents without protection in the event of his death. No doubt we may next witness the spectacle of the insurance companies' asking for a moratorium on death claims. In the view of the past such a procedure would not be unthinkable. The big bankers have withdrawn millions and millions—then when it is safely deposited in their vaults they sit tight on it and refuse to loan to other banks, corporations, and individuals in dire distress.

The railroads, under the guise of being public benefactors and under the enticing lure of promises to use the money to put men back to work, have had their millions to pay taxes, interest charges, and to pay off their loans to international bankers who own and run the country and debauch its manhood and womanhood—the Morgans, Mellons, Rockefellers, Kuhn, Loeb & Co.—yet never a thought do these same railroads give to reducing the salary of their \$100,000-a-year

presidents, the amount of their watered stock, their iniquitous freight rates, and prohibitive passenger rates.

Fortunate indeed are we that we now have a President who has the courage to propose a plan that will cause these foul abuses of taxpayers' money to come to an end.

I support this bill because it makes it possible to rehabilitate many of the State banks—the smaller banks of the country, whose resources are built upon the fertility of the soil and upon the prosperity of obscure individuals and the factoryworkers.

I would not for one moment condone the lending of money to any bank, National or State, which is insolvent. Insolvent banks, big or little, should be liquidated immediately in the interest of all concerned. But in the case of State banks, where it can be shown that the assets of those banks are largely assets that are temporarily frozen—notes and mortgages of farmers or unemployed workers, of business men now hanging on by the skin of their teeth—these banks should be taken care of. Where it can be established that only a temporary extension of time is needed—an extension of time sufficiently long to enable the emergency legislative program of President Roosevelt to be enacted into law, to have the necessary administrative machinery set up so that all banks to be reopened will be solvent, will be a safe depository for the people's funds—then, and then only, will they gain the confidence of the people, so brazenly betrayed, once again. When the Budget is balanced by the Roosevelt Economy Act, farm prosperity restored through the Roosevelt farm bill, when jobs are provided for the unemployed through the President's unemployment measure, then, and then only, can these smaller banking institutions, so vital to the progress and welfare of the common people of this country, be on an even keel once again.

These small banks are entitled to their respite, to their help, to their day in court, the same as the big bankers of plutocratic wealth. Until distress struck them, until their assets were frozen, until loans were denied them, these State banks were the most lenient and considerate of all in handling the loans and mortgages of the farmers, the small business man, and workman. They displayed a heart, a conscience, and a human fellowship in the banking business, something never witnessed in the operations of the big bankers. They are just as deserving of help from their Government as any. Let us give it to them speedily.

#### ECONOMIC DISTURBANCES—EXTENSION OF REMARKS

Mr. GLOVER. Mr. Speaker, I ask unanimous consent to extend my remarks by including an address made by J. W. Fulton, a banker in my town, on the cause of our economic disturbances.

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

There was no objection.

The address is as follows:

#### ADDRESS OF J. W. FULTON, OF MALVERN, ARK., ON THE CAUSE OF ECONOMICAL DISTURBANCES

If we are to check the lightning speed of the depression and effect a permanent cure, it is very imperative that we first know just what brought about these perilous times that threaten the complete collapse of our old economic structure and just who and what are responsible.

While we have always had more or less strife between capital and labor and between the gambling pirates of Wall Street and the farmers, yet never in the history of our country has capital (operators) been so determined to exploit and humiliate labor and never have the gambling pirates of Wall Street gone farther to exploit the farmers of our Nation than has been done in the past 3 years. In fact it has reached such proportions that Wall Street is determined to win even at the cost of the complete collapse of our whole social and economic structure.

There are three things which you might call objectives that Wall Street or big business, if you please, are now determined to accomplish, namely:

First. Discouragement of the Government and the defeat of its plans in trying to uphold the prices of our farm commodities, through the General Marketing Act—Federal Farm Board or any other Federal agencies—a fight that Congress does not appear to realize is going on.

Second. Branch banking. Banking is about the only thing left that Wall Street has been unable to dominate, and it is deter-



mined to dominate and control all the money and all the credit of the Nation.

Third. Labor organizations and labor unions. Wall Street (operators) are determined to give all of these labor unions a good spanking and make a man glad to get a job anywhere and at any price or wage schedule.

In order to obtain the above three objectives the most effective means conceivable have been used, viz:

In order to defeat the efforts of Congress to stabilize commodity prices all commodity exchanges, including the livestock exchange, have been combined in a secret and malicious organization with the deliberate intention to hammer prices of commodities so low that the Farm Board would be absolutely looked on in disgrace and be severely criticized by both the farmers themselves and Congress. These exchanges were already to join in this battle, because they have in the past enjoyed a very lucrative business in making all markets for all of our farm products and livestock by market manipulation, and they, of course, resented the fact that Congress should attempt to interfere with this privilege, feeling that if Congress should be successful in its efforts, it would eventually lead to the doing away with their privilege of operating these exchanges and dealing in the futures. This conspiracy and combined efforts of these exchanges have resulted in a gradual declining of prices for the past 3 years, and these prices of many of our leading commodities reached the lowest point that they have reached in all history. That they will be successful in their fight is very evident, provided Congress does not wake up to the fact that there is a war going on to defeat its efforts to stabilize prices and protect the farmer.

#### BRANCH BANKING

To be successful in securing a branch banking system under this democratic form of government of ours, Wall Street knew that it would first be necessary to make the unit banks very unpopular in their communities and to have public sentiment to demand a change in our banking laws. To do this it would be necessary to create a wave of hysteria that would cause a spirit of fear to seize the people regarding their banks, and therefore to accomplish this it was necessary to have a great many bank failures. To bring about bank failures and create the spirit of fear, it was only necessary for them to do two things, viz, crash commodity and security markets and shut off credit.

To shut off credit with our 12 Federal Reserve banks and their branches scattered throughout the Nation, it would be necessary for these Wall Street pirates to get control of and be able to dominate the Federal Reserve Board. As to whether or not they have been successful I am willing to let you be the judge after making comparison of their credit policies and other actions during this depression with those used during the depression of 1920 and 1921. The two policies are as follows:

"In 1920 and 1921 in determining the eligibility of paper offered by member banks for rediscount with the Federal Reserve banks, it was the policy, for instance, to value mules at \$100 per head provided the mules were not over 8 years old and would weigh 900 pounds each and provided further that the mortgage also covered a growing or anticipated crop. Other livestock was valued in the same liberal proportion; and if there was enough livestock in the mortgage to cover the amount of the farmer's note at these liberal valuations, the Federal Reserve bank would and did handle the paper for the member bank. But the member bank offering the paper was required to pledge additional assets equal to one third of the total amount of notes rediscounted with the Federal Reserve bank and these assets were called "marginal collateral." If a member bank rediscounted notes aggregating \$75,000, it would be required to pledge other assets aggregating \$25,000, making a total of \$100,000 of pledged assets to borrow the \$75,000.

"At the present time the credit policy now in force, the Federal Reserve banks in determining the eligibility of paper offered for rediscount by a member bank, mules are valued at only \$25 per head less 10 percent up to 13 years of age and other livestock have been lowered in the same proportion. But if there is a bank fortunate enough to have any notes that are secured by enough livestock at these low valuations to cover the notes, the Federal Reserve bank will rediscount them for it but the member bank must pledge additional assets as marginal collateral equal to 100 percent of the total amount of eligible paper sold to the Federal Reserve bank."

The present policy now enforced was not put in operation for the purpose of safety, but was done for no other reason than to make it impossible for a member bank to borrow very much money from its Federal Reserve bank or, in other words, it was to shut off credit.

You or any man can readily see what a spirit of fear would seize a banker the minute he found out he was up against a credit policy at his Federal Reserve bank, so different from the customary policy and so far out of line with common sense and common knowledge values, and you or any other man if you or he were a banker would do just exactly what all bankers have been doing for the past 2 years, viz: You would refuse to loan money for any purpose and you would also be calling in loans and making people pay regardless of prices and sacrifices necessary in order to pay. Hence, you can see that this credit policy of the Federal Reserve bank is wholly responsible for all the dumping of securities and has created a world of sellers with practically no buyers, and gives you the exact reason for the spirit of fear that seized bankers and caused them to pursue the course they did for the past 3 years.

But here is the most important and far-reaching effect that the Federal Reserve banks' credit policy has caused, viz: It is a well-known fact to every banker in the country that any time that any bank puts into effect a policy of refusing credit of every kind to any person, to any and all customers, and of calling in loans and forcing people to pay regardless of market conditions, that the customers of that bank will begin talking, whispering, and gossiping about the bank's condition, and this always brings trouble for the bank either in the form of an out-and-out run made on it by the depositors or by causing a lot of quiet withdrawals. Now, this is exactly what has been going on for more than 2 years over all the United States and, as you know, has caused a world of trouble for everybody. Furthermore, every time any man or woman said anything uncomplimentary about a bank, or became frightened and withdrew his funds from the bank, he did just exactly what Wall Street planned and figured out he would do, thereby contributing that much to the aid and success of the Wall Street branch-banking conspiracy in trying to win its fight for the three objectives previously mentioned and which, as I have said before, brought about bank failures in unheard-of proportions.

This Wall Street conspiracy, which has been supported by our Federal Reserve Board and Federal Reserve banks, has not only caused bank troubles and bank failures but it has caused factories to shut down, railroads to cease operations, and it has created the greatest army of unemployed ever known in our history and it has brought absolute ruin to hundreds of thousands of people; and of all the weapons they have used, the most destructive one and the most disgraceful has been the Federal Reserve Board.

I am talking to you, gentlemen, in a confidential manner, and not for publication, that we may fall on some plan of bringing about a change that will stem the tide of the depression and reestablish confidence; and in conclusion, I want to say this: If the Federal Reserve banks do not change and liberalize their credit policies with their member banks and if they do not dispose of their Government-bond holdings which now aggregate more than \$1,800,000,000 and let this sum of money flow back into the channels of trade and commerce through the member banks, we are going to have a complete collapse of our whole social and economic structure, and the time is here when all farmers, business men, and professional men throughout the whole Nation should unite and stand up and fight.

#### BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 2820. An act to maintain the credit of the United States Government.

#### ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock p.m.) the House adjourned until tomorrow, Tuesday, March 21, 1933, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

5. Under clause 2 of rule XXIV, a letter from the chairman of the Public Utilities Commission of the District of Columbia, transmitting a draft of a bill to authorize the merger of the Georgetown Gas Light Co. with and into the Washington Gaslight Co., and for other purposes, was taken from the Speaker's table and referred to the Committee on the District of Columbia.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FULMER: Committee on Agriculture. H.R. 3835. A bill to relieve the existing national economic emergency by increasing agricultural purchasing power; without amendment (Rept. No. 6). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. House Resolution 61. Resolution providing for the consideration of H.R. 3835, a bill to relieve the existing national economic emergency by increasing agricultural purchasing power; without amendment (Rept. No. 7). Referred to the House Calendar.

Mr. STEAGALL: Committee on Banking and Currency. H.R. 3757. A bill to provide for direct loans by Federal Reserve banks to State banks and trust companies in cer-

tain cases; without amendment (Rept. No. 10). Referred to the Committee of the Whole House on the state of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

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

By Mr. DIMOND: A bill (H.R. 3824) to amend section 6 of the act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes", approved June 6, 1924; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. JOHNSON of Texas: A bill (H.R. 3825) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920; to the Committee on the Civil Service.

By Mr. SABATH: A bill (H.R. 3826) to amend paragraph 1, section 201, title 2, of the Emergency Relief and Construction Act of 1932; to the Committee on Banking and Currency.

By Mr. CROSS: A bill (H.R. 3827) to provide for the prevention and removal of obstructions and burdens upon interstate commerce in cotton by regulating transactions on cotton future exchanges, and for other purposes; to the Committee on Agriculture.

By Mr. SABATH: A bill (H.R. 3828) to amend paragraph (1), section 201, title 2, of the Emergency Relief and Construction Act of 1932; to the Committee on Banking and Currency.

By Mr. HENNEY: A bill (H.R. 3829) to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health; to the Committee on Agriculture.

By Mr. MALONEY of Louisiana: A bill (H.R. 3830) to prohibit a maximum age limit on eligibility to appointment in the classified civil service; to the Committee on Civil Service.

By Mr. SINCLAIR: A bill (H.R. 3831) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; to the Committee on Indian Affairs.

By Mr. PATMAN: A bill (H.R. 3832) to provide for the use of net weights in interstate- and foreign-commerce transactions in cotton, to provide for the standardization of bale covering for cotton, for the purpose of requiring the use of a domestic product, and for other purposes; to the Committee on Agriculture.

By Mr. GREEN: A bill (H.R. 3833) to provide for the payment of one half the amount of losses sustained on account of the campaign for the eradication of the Mediterranean fruit fly in Florida, and for other purposes; to the Committee on Agriculture.

By Mr. LEMKE: A bill (H.R. 3834) establishing the Bank of the United States, owned, operated, and controlled by the Government of the United States; defining the scope and manner of its operation, defining the powers and duties of the persons charged with its management, creating a board of directors, and for other purposes; to the Committee on Banking and Currency.

By Mr. FULMER: A bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power; to the Committee on the Whole House.

By Mr. CROSS: A bill (H.R. 3836) for the prevention and removal of obstructions and burdens upon interstate commerce in agricultural commodities, by regulating transactions on commodity exchanges, putting a stop to short selling thereon, and for other purposes; to the Committee on Agriculture.

Also, a bill (H.R. 3837) to regulate stock exchanges, boards of trade, and similar organizations in trafficking in certain securities in interstate commerce, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H.R. 3838) to prevent worthless foreign securities from being sold in this country; to the Committee on the Judiciary.

Also, a bill (H.R. 3839) to provide for the stabilization of the price of cotton by taking the surplus or a sufficient portion thereof off the market during years of overproduction and placing it back on the market during years of underproduction; to the Committee on Agriculture.

By Mr. WALLGREN: A bill (H.R. 3840) for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia; to the Committee on the Judiciary.

By Mr. DOXEY: A bill (H.R. 3841) to restore the 2-cent rate of postage on first-class mail matter; to the Committee on Ways and Means.

By Mr. DIES: A bill (H.R. 3842) to provide for the deportation of certain alien seamen, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. DIMOND: A bill (H.R. 3843) to repeal an act of Congress entitled "An act to modify and amend the mining laws in their application to the Territory of Alaska, and for other purposes", approved August 1, 1912; to the Committee on the Territories.

By Mr. CARTER of California: A bill (H.R. 3844) to authorize the construction of a retaining wall and wharf at the established pierhead line along the southern boundary of the tract belonging to the Federal Government on Government Island, Alameda, Calif., which is being utilized jointly by the Bureau of Public Roads and the Forest Service of the Department of Agriculture and the Coast Guard of the Treasury Department pursuant to the act of Congress approved February 20, 1931; to the Committee on Public Buildings and Grounds.

By Mr. LAMNECK: A bill (H.R. 3845) to amend section 198 of the act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended by the acts of May 18, 1916, and July 28, 1916"; to the Committee on the Post Office and Post Roads.

By Mr. DOXEY: A bill (H.R. 3846) to repeal a tax on checks, drafts, and orders for the payment of money; to the Committee on Ways and Means.

By Mr. DIES: A bill (H.R. 3847) to restore the normal purchasing power of the dollar and raise commodity prices through an expansion of the currency by using silver to broaden the metallic monetary base, while preserving the gold standard, and to reduce the amount of gold in the dollar from 25 $\frac{1}{2}$  grains, nine tenths fine, to 17 $\frac{1}{2}$  grains of gold, nine tenths fine; to the Committee on Coinage, Weights, and Measures.

By Mr. DIMOND: A bill (H.R. 3848) to repeal an act of Congress entitled "An act to prohibit the manufacture or sale of alcoholic liquors in the Territory of Alaska, and for other purposes", approved February 14, 1917, and for other purposes; to the Committee on Territories.

By Mr. LLOYD: Joint resolution (H.J.Res. 100) extending to the whaling industry certain benefits granted under section 11 of the Merchant Marine Act, 1920; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. KOPPELMANN: Joint resolution (H.J.Res. 101) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. EDMONDS: Joint resolution (H.J.Res. 102) requesting the President of the United States to increase employment in the United States by applying the provisions of section 338 of the tariff act; to the Committee on Ways and Means.

By Mr. McSWAIN: Concurrent resolution (H.Con.Res. 6) to survey all the facts relating to the instrumentalities of national defense, to produce economies, and to maintain the credit of the United States; to the Committee on Rules.

By Mr. PATMAN: Resolution (H.Res. 60) to provide for an investigation of certain charges of lobbying, influencing of the Congress and Members thereof, to obtain informa-

tion to be used as a basis for legislation, and for other purposes; to the Committee on Rules.

By Mr. BANKHEAD: Resolution (H.Res. 61) providing for the consideration of H.R. 3835, a bill to relieve the existing national economic emergency by increasing agricultural purchasing power; to the Committee on Rules.

#### MEMORIALS

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

Memorial of the Legislature of the State of Wisconsin expressing confidence in, and support of, the measures taken by President Roosevelt and the national administration in the present banking crisis; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Colorado memorializing Congress regarding grazing fees on national forest reserves; to the Committee on Agriculture.

Memorial of the Legislature of the Territory of Hawaii requesting Congress to provide sufficient funds to complete the Haleakala National Park Road from the boundary of said park to the Summit of Haleakala in accordance with the understanding had with the Territory of Hawaii; to the Committee on Public Lands.

Memorial of the Legislature of the State of Idaho memorializing Congress to enact S. 1043; to the Committee on Public Lands.

Memorial of the Legislature of the State of Minnesota memorializing Congress to the end that the Federal Government may continue to discharge its obligations to the men and women who have defended this Nation in time of war; to the Committee on World War Veterans' Legislation.

Memorial of the Legislature of the State of Wisconsin memorializing Congress relative to the use of Wisconsin granite in Federal construction; to the Committee on Public Buildings and Grounds.

Memorial of the House of Representatives of the State of Colorado memorializing Congress concerning social-economic planning with regard to emergency-relief measures; to the Committee on Ways and Means.

Memorial of the Legislature of the State of Oklahoma, memorializing Congress to enact a law authorizing and empowering the several States to levy and collect license, franchise, gross revenue, registration, or other forms of taxes upon or measured by capital represented by property and business employed in interstate commerce; to the Committee on Ways and Means.

Memorial of the Legislature of the State of Oklahoma, memorializing Congress to include in the plan for an adequate flood control of the Mississippi River area the construction of flood-control reservoirs on the Dry Cimarron River within the State of Oklahoma and the State of New Mexico; to the Committee on Flood Control.

Memorial of the Legislature of the State of Oklahoma, memorializing Congress that it is the sense of the Oklahoma Legislature that the Government of the United States should perform its solemn promise and place American agriculture on the basis of equality with other industries by providing an adequate system of credit, and that adequate system of credit and that adequate legislation to that end should be adopted at the earliest possible date; to the Committee on Banking and Currency.

#### PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BROWN of Michigan: A bill (H.R. 3849) for the relief of Harbor Springs, Mich.; to the Committee on Claims.

By Mr. BRUNNER: A bill (H.R. 3850) for the relief of Norman Beier; to the Committee on Claims.

Also, a bill (H.R. 3851) for the relief of Henry A. Richmond; to the Committee on Claims.

By Mr. BURKE of California: A bill (H.R. 3852) for the relief of Romeo B. Monroe; to the Committee on Naval Affairs.

By Mr. CARTWRIGHT: A bill (H.R. 3853) to authorize the Comptroller General to allow claim of district no. 13, Choctaw County, Okla., for payment of tuition for Indian pupils; to the Committee on Indian Affairs.

By Mr. COCHRAN of Pennsylvania: A bill (H.R. 3854) granting an increase of pension to Nancy A. Fisher; to the Committee on Invalid Pensions.

By Mr. COLDEN: A bill (H.R. 3855) granting a pension to Ezekiel Palmer; to the Committee on Pensions.

Also, a bill (H.R. 3856) for the relief of Bertha Ingmire; to the Committee on Claims.

Also, a bill (H.R. 3857) granting a pension to Ida A. Borthwick; to the Committee on Invalid Pensions.

By Mr. CRAVENS: A bill (H.R. 3858) granting a pension to Julia Pitts; to the Committee on Invalid Pensions.

By Mr. CROSS: A bill (H.R. 3859) granting a pension to Edward Wright; to the Committee on Pensions.

Also, a bill (H.R. 3860) for the relief of Ed Symes and wife, Elizabeth Symes, and certain others citizens of the State of Texas; to the Committee on Claims.

Also, a bill (H.R. 3861) granting a pension to William Porter Bible; to the Committee on Pensions.

Also, a bill (H.R. 3862) granting a pension to Georgia L. Grubb; to the Committee on Pensions.

Also, a bill (H.R. 3863) granting a pension to Lucy Mahala Tuggle; to the Committee on Pensions.

Also, a bill (H.R. 3864) granting a pension to J. A. Ross; to the Committee on Pensions.

By Mr. DIMOND: A bill (H.R. 3865) for the relief of Joe Reno; to the Committee on Claims.

Also, a bill (H.R. 3866) for the relief of Erik Nylén; to the Committee on Claims.

By Mr. EDMONDS: A bill (H.R. 3867) granting a pension to D. Marion Geis; to the Committee on Pensions.

By Mr. FORD: A bill (H.R. 3868) for the relief of Arabella E. Bodkin; to the Committee on Claims.

Also, a bill (H.R. 3869) granting a pension to Samuel Max Richter; to the Committee on Pensions.

By Mr. HANCOCK of New York: A bill (H.R. 3870) granting a pension to Nettie J. Brown; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H.R. 3871) granting an increase of pension to Safrona Elliott; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H.R. 3872) granting a pension to Harrison Rolfe Jennings; to the Committee on Pensions.

By Mr. JOHNSON of Texas: A bill (H.R. 3873) granting a pension to Mary Ann Wilkinson; to the Committee on Pensions.

Also, a bill (H.R. 3874) granting a pension to Mary E. Norwood; to the Committee on Pensions.

Also, a bill (H.R. 3875) granting a pension to Lula Davis; to the Committee on Pensions.

Also, a bill (H.R. 3876) granting a pension to Ella Pitts; to the Committee on Pensions.

By Mr. KENNEDY of Maryland: A bill (H.R. 3877) for the relief of the Southern Overall Co., of Baltimore, Md.; to the Committee on Claims.

By Mr. KLEBERG: A bill (H.R. 3878) for the relief of Llewellyn B. Griffith; to the Committee on Military Affairs.

By Mr. KOPPLEMANN: A bill (H.R. 3879) for the relief of Thomas F. Gibbons; to the Committee on Military Affairs.

Also, a bill (H.R. 3880) granting a pension to Thomas J. Kileen; to the Committee on Pensions.

Also, a bill (H.R. 3881) for the relief of James F. Flannigan; to the Committee on Military Affairs.

By Mr. LAMBERTSON: A bill (H.R. 3882) granting a pension to Mollie A. Honska; to the Committee on Invalid Pensions.

By Mr. MARTIN of Massachusetts: A bill (H.R. 3883) granting an increase of pension to Nora Frazier; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3884) granting an increase of pension to Mary J. Staples; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3885) granting a pension to Marie Baraby; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3886) granting a pension to Mary J. Wlnow; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3887) for the relief of William Thibeault; to the Committee on Military Affairs.

By Mr. PARKER of Georgia: A bill (H.R. 3888) for the relief of Maggie Bomar Rivers; to the Committee on Claims.

By Mr. PEYSER: A bill (H.R. 3889) for the relief of James Elliott & Co., Inc.; to the Committee on Claims.

Also, a bill (H.R. 3890) for the relief of J. A. Finn & Co., Inc.; to the Committee on Claims.

By Mr. SHALLENBERGER: A bill (H.R. 3891) granting an increase of pension to Mary Leach; to the Committee on Invalid Pensions.

By Mr. SINCLAIR: A bill (H.R. 3892) granting an increase of pension to Betsy Nelson; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H.R. 3893) for the relief of Mark D. Moad; to the Committee on Military Affairs.

#### PETITIONS, ETC.

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

83. By Mr. BEAM: Resolution of the City Council of Chicago, Ill., requesting that a firearms law be placed upon the Federal statutes; to the Committee on Interstate and Foreign Commerce.

84. By Mr. CARTER of California: Resolution passed by the Oakland City Council, opposing the proposal submitted to Congress proposing to tax publicly owned utilities; to the Committee on Ways and Means.

85. By Mr. CLARKE of New York: Petition of the Otego Susquehanna Valley Grange, No. 1417, protesting against any curtailing of the rural mail service, such as lengthening routes, combining so as to impair service, discontinuing, or letting by contract; to the Committee on the Post Offices and Post Roads.

86. By Mr. CONDON: Petition of the General Assembly of the State of Rhode Island, urging the use of granite in Federal construction; to the Committee on Appropriations.

87. By Mr. CUMMINGS: Petition signed by John E. Gross, secretary-treasurer, Colorado State Federation of Labor, Denver, Colo., recognizing the unfair burdens of existing taxation upon farms, agricultural property, has consistently fought for tax upon wealth, income, inheritance, and profit and opposed increasing burden of tax upon those least able to pay; to the Committee on Ways and Means.

88. Also, petition signed by John A. Snyder, president Morgan County Dairy Industry Association, and others, of Fort Morgan, Colo., urging the passage of the Frazier bill or similar bill; to the Committee on Ways and Means.

89. By Mr. GOSS: Petition of Charles Saukas and John J. Maher, of Ansonia, Conn.; Dennis O'Sullivan, of Derby; and other citizens of the cities of Ansonia, Derby, Beacon Falls, and Shelton, all in the State of Connecticut, asking for a reevaluation of the gold ounce and requesting control of mass production; to the Committee on Banking and Currency.

90. By Mr. LINDSAY: Petition of the Federal Composition & Paint Co., Inc., New York City, favoring the passage of the Shannon bill (H.R. 235); to the Committee on Expenditures in the Executive Departments.

91. By Mr. PARKER of Georgia: Resolution of the Georgia Legislature, requesting the Congress of the United States to inflate the currency in a quantity sufficient to transact the business of the country; to the Committee on Banking and Currency.

92. Also, resolution of the Georgia State Senate, expressing to the President of the United States confidence in all his outlined programs of reconstruction; to the Committee on Ways and Means.

93. By Mr. RUDD: Petition of the Federal Composition & Paint Co., Inc., New York City, favoring the Shannon bill, for the discontinuance of the manufacture of paint and varnishes in the Government navy yards; to the Committee on Expenditures in the Executive Departments.

94. By Mr. SINCLAIR: Memorial of the Twenty-third Legislative Assembly of the State of North Dakota, requesting Congress to pass legislation for the acquisition of land for Federal game reserves in North Dakota, and for the maintenance of such reserves on or near the Fort Berthold Indian Reservation and on the Standing Rock Indian Reservation; to the Committee on the Public Lands.

95. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, expressing confidence in and support of the measures taken by President Roosevelt and the national administration in the present banking crisis; to the Committee on Banking and Currency.

96. Also, memorial of the Legislature of the State of Wisconsin, relating to the use of Wisconsin granite and hard limestone in Federal construction; to the Committee on Appropriations.

97. By the SPEAKER: Petition of Lincoln Central Labor Union, of Lincoln, Nebr., condemning the action of the Congressman for absenting himself from the Halls of Congress; to the Committee on the Judiciary.

98. Also, petition of Joseph J. Menge and other citizens of Cleveland, Ohio, suggesting the enactment of certain laws; to the Committee on Banking and Currency.

99. Also, petition of the Council of the City of Cambridge, Mass., commending the President for the way in which he has assumed leadership and also commending the House of Representatives for its prompt action in accepting the President's program; to the Committee on Ways and Means.

100. Also, petition of the Council of Minneapolis, Minn., requesting the Congress to increase Federal aid for public construction work; to the Committee on Ways and Means.

101. Also, petition of the Council of Sheboygan, Wis., requesting that the Congress enact House Joint Resolution 191, of the Seventy-second Congress; to the Committee on the Post Office and Post Roads.

102. Also, petition of the Council of Jamestown, N.Dak., urging that legislation be enacted establishing a standard of integrity and sound economy of municipal bond issues, and giving to municipalities which meet such standard the same rights enjoyed by national banks to receive national currency on the pledge of their bonds; to the Committee on Banking and Currency.

## SENATE

TUESDAY, MARCH 21, 1933

(Legislative day of Monday, Mar. 13, 1933)

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

JOHN B. KENDRICK, a Senator from the State of Wyoming, appeared in his seat today.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

#### MESSAGES FROM THE PRESIDENT

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

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H.R. 3757) to provide for direct loans by Federal Reserve banks to State banks and trust companies in certain cases, in which it requested the concurrence of the Senate.

#### CALL OF THE ROLL

Mr. ROBINSON of Arkansas. Mr. President, 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	Black	Bulkley	Carey
Ashurst	Bone	Byrd	Clark
Austin	Borah	Byrnes	Connally
Bachman	Bratton	Capper	Coolidge
Barkley	Brown	Caraway	Copeland