

Let me make it clear to you that if your bank does not open the first day, you are by no means justified in believing that it will not open. A bank that opens on one of the subsequent days is in exactly the same status as the bank that opens tomorrow.

I know that many people are worrying about State banks not members of the Federal Reserve System. These banks can and will receive assistance from member banks and from the Reconstruction Finance Corporation. These State banks are following the same course as the national banks, except that they get their licenses to resume business from the State authorities, and these authorities have been asked by the Secretary of the Treasury to permit their good banks to open up on the same schedule as the national banks. I am confident that the State banking departments will be as careful as the National Government in the policy relating to the opening of banks and will follow the same broad policy.

It is possible that when the banks resume, a very few people who have not recovered from their fear may again begin withdrawals. Let me make it clear that the banks will take care of all needs—and it is my belief that hoarding during the past week has become an exceedingly unfashionable pastime. It needs no prophet to tell you that when the people find that they can get their money—that they can get it when they want it for all legitimate purposes—the phantom of fear will soon be laid. People will again be glad to have their money where it will be safely taken care of and where they can use it conveniently at any time. I can assure you that it is safer to keep your money in a reopened bank than under the mattress.

The success of our whole great national program depends, of course, upon the cooperation of the public—on its intelligent support and use of a reliable system.

Remember that the essential accomplishment of the new legislation is that it makes it possible for banks more readily to convert their assets into cash than was the case before. More liberal provision has been made for banks to borrow on these assets at the reserve banks and more liberal provision has also been made for issuing currency on the security of these good assets. This currency is not fiat currency. It is issued only on adequate security—and every good bank has an abundance of such security.

One more point before I close. There will be, of course, some banks unable to reopen without being reorganized. The new law allows the Government to assist in making these reorganizations quickly and effectively, and even allows the Government to subscribe to at least a part of new capital which may be required.

I hope you can see from this elemental recital of what your Government is doing that there is nothing complex or radical in the process.

We had a bad banking situation. Some of our bankers had shown themselves either incompetent or dishonest in their handling of the people's funds. They had used the money intrusted to them in speculations and unwise loans. This was of course not true in the vast majority of our banks, but it was true in enough of them to shock the people for a time into a sense of insecurity and to put them into a frame of mind where they did not differentiate, but seemed to assume that the acts of a comparative few had tainted them all. It was the Government's job to straighten out this situation and do it as quickly as possible—and the job is being performed.

I do not promise you that every bank will be reopened or that individual losses will not be suffered, but there will be no losses that possibly could be avoided, and there would have been more and greater losses had we continued to drift. I can even promise you salvation for some at least of the sorely pressed banks. We shall be engaged not merely in reopening sound banks but in the creation of sound banks through reorganization.

It has been wonderful to me to catch the note of confidence from all over the country. I can never be sufficiently grateful to the people for the loyal support they have given me in their acceptance of the judgment that has dictated our course, even though all our processes may not have seemed clear to them.

After all, there is an element in the readjustment of our financial system more important than currency, more important than gold, and that is the confidence of the people. Confidence and courage are the essentials of success in carrying out our plan. You people must have faith; you must not be stamped by rumors or guesses. Let us unite in banishing fear. We have provided the machinery to restore our financial system; it is up to you to support and make it work.

It is your problem no less than it is mine. Together we can not fail.

#### REDUCTION OF EXPENDITURES

The Senate resumed the consideration of the bill (H.R. 2820) to maintain the credit of the United States Government.

#### RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

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

The motion was agreed to; and (at 5 o'clock and 43 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, March 14, 1933, at 12 o'clock meridian.

#### NOMINATIONS

*Executive nominations received by the Senate March 13, 1933*

##### AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY

Robert Worth Bingham, of Kentucky, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

Jesse Isidor Straus, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to France.

Josephus Daniels, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

##### MEMBER OF THE FEDERAL RADIO COMMISSION

Eugene O. Sykes, of Mississippi, to be a member of the Federal Radio Commission for a term of 6 years from February 24, 1933. (Reappointment.)

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate March 13, 1933*

##### FIRST ASSISTANT POSTMASTER GENERAL

Joseph C. O'Mahoney to be First Assistant Postmaster General.

##### SECOND ASSISTANT POSTMASTER GENERAL

William W. Howes to be Second Assistant Postmaster General.

##### THIRD ASSISTANT POSTMASTER GENERAL

Clinton B. Eilenberger to be Third Assistant Postmaster General.

##### FOURTH ASSISTANT POSTMASTER GENERAL

Silliman Evans to be Fourth Assistant Postmaster General.

## HOUSE OF REPRESENTATIVES

MONDAY, MARCH 13, 1933

The House met at 12 o'clock noon.

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

Beneath Thy mighty hand, O God, we humble ourselves. With Thee a thousand years are as a day and a day as a thousand years. We praise Thee that back of the flight of time there is the sheltering, loving heart of our Heavenly Father. We thank Thee for Thy daily care. Holy Spirit, help us to be calm in the presence of difficulty, patient in the face of hard problems, strong and compelling in our decisions. Most earnestly impress us that the finest reach of manhood is to care and provide for the weak, the distressed, and the unfortunate. Set before us this goal, namely, high character, which is the true achievement of life. O come to this waiting, longing world all about us. May we love God, trust the Savior of the world, serve man, and fear only evil. Amen.

The Journal of the proceedings of Saturday, March 11, 1933, was read and approved.

#### SWEARING IN OF MEMBERS

The SPEAKER. The Chair desires to inform the House that pursuant to the authority conferred upon him by House Resolution 34 and House Resolution 36 he did, on Saturday, March 11, 1933, administer the oath of office to the Honorable ANDREW J. MONTAGUE at Garfield Memorial Hospital and the Honorable WILBURN CARTWRIGHT at Walter Reed Hospital in the city of Washington, D.C.

Mr. VINSON of Georgia. Mr. Speaker, I submit a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

#### House Resolution 37

Whereas CHARLES H. BRAND, a Representative from the State of Georgia, from the Tenth District thereof, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election: Therefore be it

*Resolved*, That the Speaker, or deputy named by him, be, and he is hereby, authorized to administer the oath of office to said CHARLES H. BRAND at Athens, Ga., and that the said oath, when administered as herein authorized, shall be accepted and received by the House as the oath of office of the said CHARLES H. BRAND.

The resolution was agreed to.

The SPEAKER. The Chair designates the Honorable Blanton Fortson, judge of the western judicial circuit, Athens, Ga., to administer the oath of office to the gentleman from Georgia [Mr. BRAND].

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. In what way does it change the status of a Member-elect to have the oath administered to him?

The SPEAKER. He then becomes a full-fledged Member of the House of Representatives, without question.

Mr. SNELL. Is he not enjoying all the rights and privileges even at the present time?

The SPEAKER. The Chair thinks he enjoys many of the privileges, but in order to become a Member he must take the oath prescribed by law.

Mr. SNELL. It bestows on him actual membership.

The SPEAKER. He then has actually become a Member.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following date the President approved and signed a bill of the House of the following title:

On March 9, 1933:

H.R. 1491. An act to provide relief in the existing national emergency in banking, and for other purposes.

#### SWEARING IN OF MEMBERS

Mr. BLAND. Mr. Speaker, I present a resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

#### House Resolution 38

Whereas ANDREW J. MONTAGUE, a Representative for the State of Virginia, has been unable from sickness to appear in person to be sworn as a Member of this House, but has sworn to and subscribed the oath of office before the Speaker, authorized by resolution of this House to administer the oath, and the said oath of office has been presented in his behalf to the House, and there being no contest or question as to his election: Therefore

*Resolved*, That the said oath be accepted and received by the House as the oath of office of the said ANDREW J. MONTAGUE as a Member of this House.

Mr. SNELL. Mr. Speaker, just to keep the record clear, what is the need of this resolution?

The SPEAKER. It accepts the report of the Speaker advising the House that he has administered the oath to this Member.

Mr. SNELL. Has this procedure ever been followed before?

The SPEAKER. It is always done in these cases.

The resolution was agreed to.

Mr. HASTINGS. Mr. Speaker, I submit a resolution and ask for its immediate consideration.

The Clerk read as follows:

#### House Resolution 39

Whereas WILBURN CARTWRIGHT, a Representative for the State of Oklahoma, has been unable from sickness to appear in person to be sworn as a Member of this House, but has sworn to and subscribed the oath of office before the Speaker, authorized by resolution of this House to administer the oath, and the said oath of office has been presented in his behalf to the House, and there being no contest or question as to his election: Therefore

*Resolved*, That the said oath be accepted and received by the House as the oath of office of the said WILBURN CARTWRIGHT as a Member of this House.

The resolution was agreed to.

Mr. BRITTON. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

#### House Resolution 40

Whereas JOHN T. BUCKBEE, a Representative from the State of Illinois, from the Twelfth District thereof, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election: Therefore be it

*Resolved*, That the Speaker, or deputy named by him, be, and he is hereby, authorized to administer the oath of office to said JOHN T. BUCKBEE at Providence Hospital, Washington, D.C., and that the said oath, when administered as herein authorized, shall be accepted and received by the House as the oath of office of the said JOHN T. BUCKBEE.

The resolution was agreed to.

#### INCIDENTAL EXPENSES OF THE FIRST SESSION OF THE SEVENTY-THIRD CONGRESS

Mr. BUCHANAN. Mr. Speaker, I send to the Clerk's desk House Joint Resolution No. 75, to provide for certain expenses incident to the first session of the Seventy-third Congress, and ask unanimous consent for its immediate consideration.

The Clerk read the House joint resolution, as follows:

#### House Joint Resolution 75

Joint resolution to provide for certain expenses incident to the first session of the Seventy-third Congress

*Resolved*, etc., That the appropriations for mileage of Senators, Representatives, the Resident Commissioner from Puerto Rico, and the Delegate from Hawaii, and for expenses of the Delegate from Alaska and the Resident Commissioners from the Philippine Islands, contained in the Legislative Appropriation Act for the fiscal year 1934 are hereby made immediately available and authorized to be paid to Senators, Representatives, Delegates, and Resident Commissioners for attendance on the first session of the Seventy-third Congress.

The appropriation for stationery for Representatives, Delegates, and Resident Commissioners, and for the committees and officers of the House, contained in the Legislative Appropriation Act for the fiscal year 1934, is hereby made immediately available for expenditure on account of the first session of the Seventy-third Congress notwithstanding the provisions of section 304 of the act of June 30, 1932 (47 Stat. 408): *Provided*, That from such sum each Representative, Delegate, and Resident Commissioner shall be allowed \$90 for stationery allowance or commutation therefor.

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

Mr. SNELL. Mr. Speaker, reserving the right to object, and I may say I do not intend to object, because the gentleman from Texas advised me of this resolution, I do think that we ought to stop bringing in resolutions at this time and not do anything more than is absolutely necessary until we can follow the regular procedure of having these matters referred to regular committees. I hope that the gentleman or the majority will not present any more of them, because I feel I should have to object. I am not going to object at this time if the gentleman says this is absolutely necessary for the regular organization of the House and for regular procedure and for convenience of Members and for this reason he presents the resolution at this time.

Mr. BUCHANAN. Of course, my colleague understands there has been no organization of the committees of the House and there are 164 new Members, some of them coming from a long distance, and some of them, according to my information, have had to borrow money to get here. The banks have been closed and it is hard to get money now and the Sergeant at Arms is being bombarded with requests for \$10 or \$15 or \$25 to pay running expenses. Therefore it is imperative that this resolution be passed.

Mr. SNELL. I appreciate the statement made by the gentleman from Texas, and I want to cooperate. However, I hope it will not be necessary to bring in any more emergency resolutions, but that we may complete the organization of the House so that all measures may be referred to committees in the proper, legal, and normal way.

Mr. BUCHANAN. The gentleman further understands that this is only making the money immediately available.

Mr. SNELL. I understand from the gentleman's statement that that is correct.

Mr. BLANTON. Mr. Speaker, did we understand that the gentleman from New York is objecting to this resolution?

Mr. SNELL. I said I would not object.

Mr. BLANTON. I reserve the right to object. I want to ask my colleague this question, so there will not be any misunderstanding in the country about it. It is understood, of course, that our new friends, the 164 new Members, who are coming in this new session for the first time, are doing just what we old Members have done, are accepting mileage

which has been reduced by 25 per cent and are accepting the stationery allowance that has been reduced 25 per cent.

Mr. BUCHANAN. That is correct.

Mr. BLANTON. Both their mileage and stationery allowance have been reduced 25 per cent, and there should not be any misapprehension in the country about the facts.

Mr. BUCHANAN. There should not be.

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

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BUCHANAN, a motion to reconsider the vote by which the bill was passed was laid on the table.

MESSAGE FROM THE PRESIDENT—AMENDMENT OF THE VOLSTEAD ACT (H.DOC. NO. 3)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Ways and Means and ordered printed:

*To the Congress:*

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act, in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution; and to provide through such manufacture and sale, by substantial taxes, a proper and much-needed revenue for the Government.

I deem action at this time to be of the highest importance.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 13, 1933.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes in reference to the message of the President just read.

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

There was no objection.

Mr. O'CONNOR. Mr. Speaker, on Thursday, the opening day of this Congress, I introduced three beer bills, which have been referred to the Committee on Ways and Means. They are H.R. 1696, H.R. 1697, and H.R. 1699.

Mr. SNELL. Which one are you for?

Mr. O'CONNOR. I am for the best that can be taken out of all of them.

My purpose in rising today is to express a hope that the Ways and Means Committee will give some consideration to the form of a beer bill before they bring it before the House. A great many Members of the House who have devoted many years to the consideration of the proper form of beer bill were not satisfied with the Collier bill, which we passed in the last session. Since then the Senate has had reported to it a bill known as the Blaine bill, which approaches the question from an entirely different standpoint.

There was another bill known as the O'Connor-Hull beer bill, which had somewhat different provisions in it than the Collier or Blaine bills.

These three methods have been introduced by me with some changes and referred to the Ways and Means Committee.

In the last session, when we discussed the Collier bill and passed it in this House, there was great haste to put it through. The advocates were anxious to pass a beer bill in any form, and to my mind and to the minds of a number of gentlemen who have given the question some study, it was unfortunate that we could not amend that bill in any way. We did have many constructive suggestions as to its improvement.

For instance, not to detain you, all these beer bills deal with a nonintoxicating beverage. It is declared to be nonintoxicating in fact, but in the Collier bill which passed the House it was required that the manufacturers of this nonintoxicating, harmless beverage should obtain from the National Prohibition Bureau the same kind of a permit which one must get to manufacture intoxicating liquor—whisky. This is inconsistency itself.

There were also imposed in the Collier bill the penalties for any violation of law in the making of this beer that were provided for a violation of the National Prohibition Act—another inconsistency.

The Senate, in the Blaine bill, prohibited the advertising of this nonintoxicating, harmless beverage. That bill also prohibited its sale or gift to minors.

I trust the Ways and Means Committee, as speedily as possible, will get together and consider the different features of these three bills and bring in a bill which is consistent, which meets the situation, which restores 3.2 percent beer to the American people, and which carries out the pledge of the Democratic Party.

Mrs. KAHN. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mrs. KAHN. Is there any provision made for light wines?

Mr. O'CONNOR. In the Blaine bill, yes; to the extent of 3.2 percent. There should be a provision in our bill, but in the hearings before the Ways and Means Committee it was thought impracticable to include wine in a beer bill. Three and two-tenths percent wine, I understand, is not very interesting. [Laughter.]

Mrs. KAHN. It may be we might be able to find a percentage that would make it interesting but not intoxicating. [Laughter and applause.]

Mr. O'CONNOR. I believe that could be done, but I believe wine should be legalized by a separate bill, permitting the manufacture and sale of naturally fermented vinous beverages.

In all my bills I provide for a tax of \$6 per barrel, the present tax, instead of the \$5 tax carried in the Collier and Blaine bills.

In two of my bills—not the Blaine bill—I insert the legislative declaration that such beverages are not intoxicating in fact.

In all the bills I have stricken out provisions that state that permits to manufacture beer must be obtained from the National Prohibition Bureau, it being my contention that if 3.2 percent beer is nonintoxicating in fact, it should not be classed with intoxicating liquors.

Licenses should be issued as in the days before prohibition, through the Office of the Commissioner of Internal Revenue.

I have also amended the provisions of the Collier bill, whereby persons brewing beer in their own home for their own consumption will not be compelled to take out a brewer's license and pay \$1,000 per year.

H.R. 1697, introduced by me and similar to the Blaine bill, instead of using the percentage of 3.05, uses the percentage of 3.2, which was contained in the House bill. The Senate bill deals with the question of legalizing beer in a different method from the House bill. The House bill directly legalizes beer containing not more than 3.2 percent of alcohol by weight, on the theory that such beer is not intoxicating in fact, while the Senate bill adopts what is known as the "withdrawal" method. This method of handling the question has been discussed for many years and simply amends the National Prohibition Act by having no provisions for enforcement against beer and similar beverages. I have not included the provisions of the Senate bill making advertisement of such beverages unlawful or making the gift or sale to minors unlawful, because I contend that if such beverages are in fact not intoxicating such provisions are absolutely inconsistent with other provisions of the bill.

Mr. BLANTON. Mr. Speaker, I did not object to the gentleman from New York having 5 minutes. I think that was all right. I should like to ask for 5 minutes to address the House.

The SPEAKER. The gentleman from Texas asks unanimous consent to address the House for 5 minutes. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, I must confess that, though it has been stretched considerably by an untimely beer message in this crucial hour, my confidence in the President of the United States is still unshaken.

We must look the facts squarely in the face. The President has not requested Congress to take up for immediate consideration a bill to legalize beer of 3.2 or 3.05 per cent alcoholic content by weight, or of any other alcoholic content that is intoxicating. He recommends only beer of such alcoholic content as is permissible under the Constitution. Did you get that? It must be permissible under the Constitution of the United States. He has sent us no message dealing with beer that is intoxicating. He in no way refers to the old-time pre-war beer that all of us know did intoxicate. It was 3.2 alcohol by weight, which is beer of 4 percent alcoholic content by volume. So, you colleagues of mine who are thirsting for real beer, and who are thinking of giving your thirsty constituents in New York, Philadelphia, Chicago, and St. Louis real beer, have another guess coming.

It is said that our friend from New York [Mr. O'CONNOR] expects to pass a bill here tomorrow providing real beer, but having the bill recite, parrotlike, that it is not intoxicating. Would not that be funny? It would not be funny to the Supreme Court of the United States. They are under no promise to any thirsty constituents. They are under no beer platform. The only pledge they are under is a solemn oath that they will uphold and defend the Constitution of the United States. They have sworn that they will not permit it to be set aside. They have sworn that they will not permit it to be evaded. They have sworn that they will not permit it to be ignored. They are guided by sacred traditions as old as our Republic itself. Do not you lawyers in this House know what those nine black-robed justices will do with a bill that provides real, old-time, pre-war, intoxicating beer, yet declares it to be nonintoxicating? Do you imagine that they would permit such an evasion? Do you imagine that they would permit such a farcical comedy?

Whenever our Supreme Court comes to pass upon this real beer act that, well greased, is to go through this House tomorrow, I want them to have clearly before them the words of our President, which a few minutes ago came to us fresh from the White House on this 13th, jinx, day of March, which I quote:

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act, in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution.

To respond to the President's recommendation, the beer must not be intoxicating in fact. If it is, it is beer that the President did not recommend. It must be nonintoxicating beer. It must not be the kind that leaves men drunk and down in the back end of beer gardens. It must not be the kind that would stimulate the drink habit in boys and girls. It must not be the kind that requires back rooms in beer joints to house away the unfortunates who stayed for just a few more too many. It must not be the kind that makes hit-and-run drivers after aged men, decrepit women, and innocent little children are murdered on fast highways by uncontrolled automobiles. It must be the nice, soft, timid, shrinking, milky, unintoxicating kind permitted by the Constitution.

I am wondering whether our 164 new Members of this House imagine for one moment that beer brought them to this Congress. If it did, then why did it at the same time leave former United States Senator Blaine and our fighting wet Congressman John Schafer at home in Wisconsin? If beer brought you here, why did it leave in Connecticut a wet Senator Bingham? Why did it leave at home in Illinois a former distiller, our good friend William E. Hull, who fought liquor's battles here daily on this floor? Why did it leave Clancy in Michigan, and Horr in Washington, and Chindblom in Chicago, and Dyer in Missouri, and Igoe in Illinois, and Stafford in Milwaukee? If beer brought you new colleagues here, just why did it deny the White House to that popular democratic Democrat, Al Smith, who in 1928 was defeated by the same vote by which Franklin D. Roosevelt was elected, and in that campaign Al Smith stood for real beer and hard liquors, while Hoover stood then for the eight-

eenth amendment and against saloons? Cannot you see that it was "a new deal" and unbearable economic conditions that swept you with the President into control of this Nation?

Now, let us see whether or not beer of 3.2 alcoholic content by weight, as proposed by our friend Mr. O'CONNOR and others here, is in fact intoxicating? I wonder if you 164 new colleagues know well Heartsill Ragon and Morgan G. Sanders and Jere Cooper and W. C. Hawley and Charles B. Timberlake and Dr. Frank Crowther, all honored, highly respected, experienced members of our Ways and Means Committee in the last Congress? Only two are not here now—Hawley and Timberlake. Willis Chatman Hawley is 68 years old; has been a practitioner before the Supreme Court of the United States for many years; was a Member of this Congress for 26 consecutive years and for many years was chairman of the Ways and Means Committee. Charles Bateman Timberlake is a Knight Templar, Shriner, and knight commander of the court of honor in Scottish Rite Masonry, and was a Member of Congress for 18 consecutive years. Look in your new Congressional Directory for the standing of RAGON, SANDERS, COOPER, and Doctor CROWTHER, who are still members of the Ways and Means Committee of this House at this time. Please ponder over what these outstanding statesmen said about this 3.2 alcoholic beer.

After stating that they had heard and read all of the testimony before the Ways and Means Committee relating to this proposed 3.2 beer, they stated—that same is violative of the Constitution of the United States.

I quote the following from some of their findings:

As Members of Congress we took the following oath:

"I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I will take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

Therefore we cannot under our oath support this legislation.

We further submit that the proposed bill is not only in violation of the Constitution of the United States but of the Democratic platform, which calls for the "sale of beer and other beverages of such alcoholic content as is permissible under the Constitution." The above quotation from the platform shows that it was not the intent of those framing the platform to declare for legislation which would be violative of the Constitution.

The very clear and definite proof before the Ways and Means Committee during the extended hearings on this bill shows conclusively that beer of alcoholic content of 3.2, which means beer of 4 percent alcohol by volume, is intoxicating in fact and is the same type of beer which was generally produced and sold prior to the Volstead Act. The sale of such beer, because of its alcoholic content, is not permissible under the Constitution.

HEARTSILL RAGON.  
MORGAN G. SANDERS.  
JERE COOPER.

Now, the above are three prominent, outstanding Democrats of the Ways and Means Committee. Here is what the outstanding Republicans said about it:

MINORITY VIEWS OF MESSRS. HAWLEY, TIMBERLAKE, AND CROWTHER

At the beginning of this session of Congress, in company with all my colleagues, I stood on the floor of the House and took the oath to support the Constitution of the United States, as required by Article VI of the Constitution. I quote from that oath:

"I do solemnly swear that I will support and defend the Constitution of the United States \* \* \* bear true faith and allegiance to the same \* \* \* without any mental reservation or purpose of evasion."

Article 18 of the amendments provides that—

"The manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all Territories subject to the jurisdiction thereof for beverage purposes is hereby prohibited."

I listened with careful attention to the evidence submitted to the committee during the hearings preceding the report of the pending bill (H.R. 13742). My observation covers a period prior to prohibition as well as under prohibition. I am convinced by the evidence submitted at the hearings and by observation and evidence extending over a period of a lifetime that beer and other liquors described in the bill are intoxicating. They were intoxicating prior to prohibition. A legislative declaration to the contrary does not overcome that fact; and if I were to support this legislation, it would require a "mental reservation" on my part

and a "purpose of evasion" of the eighteenth article of amendment to the Constitution.

I do not believe the Government should obtain revenues through the violation of the Constitution and by legalization of beverages which produce intoxication. Beer was intoxicating before prohibition. Its constituent elements remain the same and will undoubtedly produce intoxication again. I believe the Budget should be balanced, but that legitimate sources of revenue legal under the Constitution should furnish the necessary amount.

From the above, as well as from many other factors I shall not take occasion to name, it appears that we are facing a wide-open situation in the matter of the dispensation of malt liquors. Some things were said during the hearings by the brewing interests concerning the protection of the dry States from the entrance of intoxicants within their borders from wet States. With our motor system of transportation, with tens of thousands of automobiles moving continually back and forth, with trucks on the highways carrying freight brought from many sources and distributed to many destinations, with increased traffic in the air, I came to the conclusion that a dry State surrounded by wet States or adjacent to one or more wet States would find itself subject to an impossible task in maintaining its dry status.

My feeling, after listening to many discussions and the recent hearings, is that the liquor interests are planning by this measure to secure again the existence of 90 percent by volume of the liquor traffic, the repeal of the eighteenth amendment, and the return again of the sale of all intoxicating liquors with attendant and acknowledged evils. It seems to me that if we adopt the policy contained in this bill the return of the saloon is inevitable.

W. C. HAWLEY.

We concur in the above statement.

CHAS. B. TIMBERLAKE.  
FRANK CROWTHER.

Mr. BLANTON. Mr. Speaker, are we attempting to fool our own hearts and consciences in passing a bill legalizing intoxicating beer and at the same time declaring it to be nonintoxicating? Is that not side-stepping? Is that not evasion? If it were beer that would satisfy the thirst of those who want it, it would be intoxicating and against the Constitution; and if it were not intoxicating beer, it would be unwanted and absolutely worthless.

Mr. PATMAN. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. PATMAN. The gentleman said on Saturday last that he would support the President in everything. I should like to ask him, if the President executes his pledge in this respect, if he will go along with him.

Mr. BLANTON. I am going to vote against 3.2 beer and against any beer bill legalizing beer with an intoxicating alcohol content, because that would be against the President's message. The President recommends beer only that is permissible under the Constitution, and the Constitution does not permit any beer that will intoxicate.

The Washington Star, which is one of the best daily newspapers in the United States, on December 18, 1932, two days before the beer bill was called up in the House, had this to say about it:

Both parties are pledged to fight the return of the saloon. Why does this bill make no mention of the beer saloon, or seek to control retail sale of beer? It is, presumably, because of the obvious inconsistency that would lie in calling a beverage nonintoxicating, and then seeking to regulate its retail sale because of its intoxicating qualities. But if the States seek to control its retail sale, they will thereby immediately recognize it as intoxicating; and if it is intoxicating, it is contrary both to the letter and the spirit of the eighteenth amendment.

This beer bill permits the return of the beer saloon. People will get drunk in those saloons on 4-percent beer. That is the truth, and it cannot be dodged.

Just why do you suppose that the United States Senate allowed that beer bill to die March 4, 1933, with the Seventy-second Congress? It was passed by the House and sent to the Senate on December 21, 1932. The Senate had over 2 months in which to pass it. Yet it killed it by letting it die unpassed.

The Senate knew that about the findings and conclusion its own investigating committee printed in the CONGRESSIONAL RECORD for June 16, 1919, before the eighteenth amendment went into effect, from which Senate findings I quote:

The subcommittee began its investigation on September 27, 1918. At the request of the subcommittee the Secretary of War very kindly detailed from the Judge Advocate General's Department, United States Army, to aid the committee, Maj. E. Lowry

Humes, formerly United States district attorney for the western district of Pennsylvania, and from the Military Intelligence Division, United States Army, Capt. George B. Lester, an attorney of New York, and also the Attorney General very kindly detailed from the Department of Justice, Mr. William R. Benham, all of whom rendered most valuable assistance to the committee in the collection of evidence, the production of testimony, the examination of witnesses, and in the preparation of reports.

With regard to the conduct and activities of the brewing and liquor interests, the committee is of the opinion that the record clearly establishes the following facts:

- (a) That they have furnished large sums of money for the purpose of secretly controlling newspapers and periodicals.
- (b) That they have undertaken to and have frequently succeeded in controlling primaries, elections, and political organizations.
- (c) That they have contributed enormous sums of money to political campaigns in violation of the Federal statutes and the statutes of several of the States.
- (d) That they have exacted pledges from candidates for public office prior to the election.
- (e) That for the purpose of influencing public opinion they have attempted and partly succeeded in subsidizing the public press.
- (f) That to suppress and coerce persons hostile to and to compel support for them they have resorted to an extensive system of boycotting unfriendly American manufacturing and mercantile concerns.
- (g) That they have created their own political organization in many States and in smaller political units for the purpose of carrying into effect their own political will, and have financed the same with large contributions and assessments.

(h) That with a view of using it for their own political purposes they contributed large sums of money to the German-American Alliance, many of the membership of which were disloyal and unpatriotic.

(i) That they organized clubs, leagues, and corporations of various kinds for the purpose of secretly carrying on their political activities without having their interest known to the public.

(j) That they improperly treated the funds expended for political purposes as a proper expenditure of their business, and consequently failed to return the same for taxation under the revenue laws of the United States.

(k) That they undertook, through a cunningly conceived plan of advertising and subsidization, to control and dominate the foreign-language press of the United States.

(l) That they have subsidized authors of recognized standing in literary circles to write articles of their selection for many standard periodicals.

(m) That for many years a working agreement existed between the brewing and distilling interests of the country, by the terms of which the brewing interests contributed two thirds and the distributing interests one third of the political expenditures made by the joint interests.

At an expense of almost a million dollars to the people of the United States, President Hoover appointed his famous Wickersham Commission and had it sit all over the United States and finally to make a voluminous report. Most of the members he appointed were fundamental wets. There were 11 members on that Commission. Ten out of the eleven members agreed upon certain conclusions, the first four of which I want to quote over their signatures from their printed report:

- 1. The Commission is opposed to repeal of the eighteenth amendment.
- 2. The Commission is opposed to the restoration in any manner of the legalized saloon.
- 3. The Commission is opposed to the Federal or State Governments as such going into the liquor business.
- 4. The Commission is opposed to the proposal to modify the National Prohibition Act so as to permit manufacture and sale of light wines or beer.

George W. Wickersham, chairman; Henry W. Anderson; Newton D. Baker; Ada L. Comstock; William I. Grubb; William S. Kenyon; Frank J. Loesch; Paul J. McCormick; Kenneth Mackintosh; Roscoe Pound.

The only member of the Wickersham Commission who refused to sign the above conclusions was Mr. Monte M. Lemann, of New Orleans, a lifelong wet. He, even, was against nullification, for from his separate signed report I quote him as follows:

I do not favor the theory of nullification: and so long as the eighteenth amendment is not repealed by constitutional methods, it seems to me to be the duty of Congress to make reasonable efforts to enforce it.

Then he said further, concerning light wines and beer:

I do not think that any improvement in enforcement of the eighteenth amendment would result from an amendment of the National Prohibition Act so as to permit the manufacture of so-called light wines and beer.

Now, gentlemen, listen; he said this, further:

If the liquor so manufactured were not intoxicating, it would not satisfy the taste of the great majority of those who are now drinking intoxicating liquors; and if it were intoxicating, it could not be permitted without violation of the Constitution.

I am one of those Members of Congress who is not in favor of this principle of nullifying our Constitution, because I know that the beer which is sought to be manufactured is to be intoxicating. If it were not intoxicating, it would not be drunk.

Now, in a separate report filed by Hon. Frank J. Loesch, of Chicago, he said:

It would be unwise to repeal the eighteenth amendment. Such repeal would cause the instant return of the open saloon in all States not having State-wide prohibition.

Furthermore, Chief Justice Kenneth Mackintosh, of the Supreme Court of Washington, also a member of the Wickersham Commission, said:

Civilization will not allow this Nation to end the long attempt to control the use of alcoholic beverages.

Federal Judge Paul J. McCormick, in his separate report on this Wickersham Commission, said:

Absolute repeal is unwise. It would, in my opinion, reopen the saloon. This would be a backward step that I hope will never be taken by the United States. The open saloon is the greatest enemy of temperance and has been a chief cause of much political corruption throughout the country in the past. These conditions should never be revived.

He said further:

The States favoring prohibition should be protected against wet Commonwealths. This right would be defeated by remitting the entire subject of liquor control and regulation to the several States exclusively.

What did Dean Roscoe Pound, of the Harvard Law School, say about the matter? He was a member of the Commission. He said:

Federal control of what had become a Nation-wide traffic and abolition of the saloon are great steps forward, which should be maintained.

Federal Judge William I. Grubb, who was a member of the Commission, said:

Prohibition is conceded to have produced two great benefits, the abolition of the open saloon and the eliminating of the liquor influence from politics. Remission to the States would assure the return of the open saloon at least in some of the States and the return of the liquor interests to the politics of all of them.

Now, Ada L. Comstock, the president of Radcliffe College, in her report—she could not even say one word for temperance, but she said this:

I favor revision of the amendment rather than its repeal.

Henry W. Anderson, of Virginia, a member of the Wickersham Commission said:

We must not lose what has been gained by the abolition of the saloon.

In summing up his own separate conclusions, Hon. George W. Wickersham, Chairman of the Wickersham Commission, said:

The older generation very largely has forgotten, and the younger never knew, the evils of the saloon and the corroding influence upon politics, both local and national, of the organized liquor interests. But the tradition of that rotteness still lingers even in the minds of the bitterest opponents of the prohibition law, substantially all of whom assert that the licensed saloon must never again be restored.

Then he added—

It is because I see no escape from its return in any of the practicable alternatives to prohibition that I unite with my colleagues in agreement that the eighteenth amendment must not be repealed.

And, Mr. Speaker, we must not forget that the fundamentally wet Monte M. Lemann, of New Orleans, was frank and honest enough to state:

That if the beer to be manufactured were not intoxicating, it would not satisfy the taste of the great majority of those who are now drinking intoxicating liquors; and if it were intoxicating, it could not be permitted without violation of the Constitution.

When you had the medicinal-liquor bill before the House the other day to take the limit off prescriptions that doctors could prescribe over the country for \$3 a prescription and \$4 a pint to be charged by the druggist, I called on two prominent physicians on the floor, then Members of this House, to get up here as Representatives under their oath, and they stated that in their practice they had stopped prescribing intoxicating liquor, that they thought it was not longer necessary. I am behind the President in his sane economic program for national restoration. He does not ask me to vote for a bill that would be unconstitutional, and I yet have such an abiding confidence in him that I do not believe he would send us an improper request. [Applause.]

Mr. CELLER. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker and Members of the House, I heard with interest what the gentleman from Texas stated. He is enthusiastically misguided on the subject of prohibition. He stated that, although we passed the medicinal-liquor bill recently, the Senate saw fit to bar its passage. That is not true. This House, in its wisdom, sought to take some of the burdensome restrictions from doctors in the practice of their profession. The Senate Judiciary Committee, in its wisdom, approved of the bill and urged its passage. However, there was one anachronism in the Senate—and I say anachronism advisedly, because any dry is an anachronism now—who set himself against the whole Senate, and during the dying hours of the Senate, when the bill was called up, filibustered against it, knowing that he was successfully playing against time. The gentleman from the State of Iowa, Mr. Brookhart, who is no longer a Senator of the United States, was the man who was willing to place against the honored medical profession a bar sinister by saying to the doctors and the physicians, "Although you may be allowed to prescribe without let or hindrance any amount of narcotics, morphine, cocaine, heroin, and the like, yet because of the fanaticism of the drys—and I am one of them—you members of this honored profession shall not be allowed to prescribe more than a pint of whisky every 10 days to a patient, or the equivalent of wine during that period." He was so unreasonable and unreasoning as to set his judgment against that of over 150,000 physicians—the American Medical Association. The Senate wanted the bill, but he alone did not. We shall no longer be bothered with his arbitrary objections and filibusters.

Mr. Speaker, the doctors have been complaining bitterly of these restrictions, and they must be relieved of them. The Wickersham Commission asked this Congress to give the medical profession that relief. Former President Hoover recommended it. This House has recommended it, and I am certain that Franklin D. Roosevelt in his wisdom will likewise recommend it, and I shall see him within the next 48 hours for that purpose.

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

Mr. CELLER. Yes.

Mr. BLANTON. My friend passed his bill on February 24, 1933. The Senate did not pass it, but it died on March 4, with the Seventy-second Congress. When the gentleman had that bill up, he asserted, did he not, that Attorney General Mitchell had approved it?

Mr. CELLER. I asserted no such thing, and the gentleman, as usual, is mistaken on this matter as he is on all matters pertaining to prohibition.

Mr. BLANTON. Did not the gentleman say—

Mr. CELLER. Mr. Speaker, I refuse to yield. I said I made no such statement.

Mr. BLANTON. It was asserted here on the floor that it was approved by "the Department of Justice." I quote from page 4942 of that day's RECORD:

Mr. MOORE of Ohio. Does the gentleman know whether this bill in its present form has been approved by either the Department of Justice or the Treasury Department?

Mr. CELLER. Yes, indeed. The bill in its present form was approved by both these Departments.

I naturally assumed that meant the Attorney General, who is the head of the Department of Justice.

Mr. CELLER. I said this, and I repeat it, that Dr. Doran, head of the prohibition unit of the Treasury Department, and Col. Amos W. Woodcock, head of the Prohibition Enforcement Bureau of the Department of Justice under former Attorney General Mitchell, also approved this bill.

Mr. BLANTON. But Attorney General Mitchell did not do it.

Mr. CELLER. And the gentleman from Texas, if he seeks to make those erroneous statements, is welcome to do so, but they are erroneous beyond question. I am sure beyond peradventure of doubt, if the gentleman or I were to ask former Attorney General Mitchell whether he would approve it, he would answer in the affirmative, because he is a liberal man.

Mr. BLANTON. Why, he had never seen the bill. And I happen to know positively that he had not approved it when it was passed here in the House.

Mr. CELLER. And anyone who is opposed to this bill must assume the risk of being branded "illiberal." I assure the gentlemen of this House that this bill will soon be presented to it, and I am confident of its passage by this House by a great and preponderating majority, and I assure you that the Senate will likewise pass this bill beyond question. I shall do all in my power to get the Committee on the Judiciary, of which I am a member, to bring it to this House as soon as possible.

#### APPOINTMENT OF COMMITTEES

Mr. SNELL. Mr. Speaker, will the majority leader inform the House whether it is the policy of the majority to set up all of the standing committees at this time?

Mr. BYRNS. Mr. Speaker, I understand that that will be done, but it is not expected that they will all function.

Mr. SNELL. But it is intended to elect them all?

Mr. BYRNS. I understand that the Ways and Means Committee, so far as the Democratic members of it are concerned, are prepared to fill all of the places, and they will be proposed in a caucus at 4 o'clock this evening in this Hall. We will name all of the committees. As I say, it is not expected that they will all function at this special session.

Mr. SNELL. We did not get the division to be elected on each committee until Saturday afternoon, but we will try to be ready by tomorrow to name the minority members of the committee.

Mr. COCHRAN of Missouri. And will the gentleman be good enough to give special attention to the Committee on Ways and Means, so that we can get this beer bill passed? It means that 30,000 people will immediately go to work in my city.

Mr. SNELL. We shall try to accommodate the gentleman.

#### THE BANKING SITUATION

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, if I may change the subject under discussion for just a few minutes, I should like to talk about banks instead of beer. Banks are more important than beer at any time, and especially just at this critical period when we are passing through the crucial hours of the greatest economic disaster in the history of the world. In these brief hours we are enacting under whip and spur legislation of such far-reaching importance that no man dares to predict its ultimate effect. We are dealing with the central nervous system of the body politic. We are operating on the brain—we are operating on the banks of the country. And unless some amendment of the pending bill is made in conference or some supplementary legislation is enacted, we are here passing a sentence of death on the country bank. [Applause.]

Until the drastic deflation of agriculture began, the country bank was among the most prosperous of the country's

financial institutions. The percentage of failures prior to the war was negligible. But when the bankruptcy of the farm began to carry them down, the city banks sat back complacently and said it was a favorable development. They sagely informed us that there were too many banks and the elimination of a large part of them was highly desirable. But when the conflagration inevitably extended to the metropolitan banks, instead of taking the medicine they had so freely prescribed for the rural bank they rushed to the Governor and pulled down this devastating moratorium on every bank in the State to save a few rotten banks in the cities.

And now that legislation is being formulated to save the national banking situation, which they precipitated, they are here ready to write the bill and leave the small country bank outside the pale to be sacrificed as soon as they are opened.

The few country banks remaining when the moratorium was declared were practically all in sound condition. They had passed through their Gethsemane. The weak banks and the incompetent bankers had been weeded out, and only the strong and efficient banks remained. The country banking situation had been largely stabilized. They were making gains, and all they asked or expected was to be let alone. But the State and national moratoriums have terrified the rural depositor, just as his faith in his home bank was being rehabilitated. The average rural depositor does not stop to reason the matter. He is not in a position to analyze the causes. All that he can understand is that there is a notice on the door of the bank in which he has deposited his life's savings notifying him that the bank has been closed by the Government. As a result of that notice men and women in every community in the Nation are today vowing that they will never again put another dollar in a bank. And they propose to demand every dollar they have on deposit as soon as it is available. The proposed panacea now before the Congress makes no effort to meet this critical situation. On the contrary, the Government is industriously aggravating the difficulty. It not only refuses to guarantee the deposits of the banks in any form, but it is sending out tons of literature advertising its postal-savings facilities. Just across the street from the bank is the post office notifying the public that the Government guarantees every dollar deposited. I have here a circular reciting that—

The faith of the United States Government is solemnly pledged to the payment of the deposits made in postal-savings depository offices.

In the present excited and inflamed condition of the public mind, where will the depositor leave his money—in the bank, without authoritative assurance of repayment, or in the post office, backed by the "solemn pledge" of the United States Government? The public is answering that question in no uncertain terms at the moment we sit here. They have on deposit in the post offices of the Nation today more than a billion dollars which otherwise would be on deposit in their local banks. The postal-savings deposits now amount to more than 5 percent of the total savings deposits of all the privately owned banks of the United States, and within the last few days this vast flow of money from the banks to the post offices has swollen to a devastating avalanche. It is siphoning from the localities in which it was earned—and in which it should remain to provide credits for local business and local enterprise, the surplus funds of the community—and the transferring them to the great financial centers of the Nation.

Of course, the Postal Savings System has its departmental champions who insist that injury to local banks is precluded by the statutory limitation to \$2,500 of the accounts accepted in the name of any one person. But it is a matter of common knowledge that the substitution of the name of any member of a family, sometimes including father, mother, and a number of children, render this restriction wholly ineffectual. And there are instances within the knowledge of all in which individuals have accounts in neighboring offices as well as their own. And, in addition to these subterfuges, the option of converting deposits into Postal Savings bonds without restriction as to amounts and

with the guaranty that the Government will refund them at any time after date of issuance at par with accrued interest speaks for itself.

Likewise the argument that the money in postal-savings funds may be deposited in the local bank and thus kept in the community is a mere talking point. Experience demonstrates that the requirement that such bank purchase and deposit with the Treasurer at Washington Government bonds to secure such deposits leaves the bank no profit and in effect affords the community no more advantage than if the funds were locked in the vaults of the Treasury at Washington. The failure of this provision of the law is shown by the fact that the banks which have been misled into accepting these deposits are returning them to the Treasury at the rate of millions per day, and more would return them if they could liquidate the bonds they have pledged to secure the deposits without a heavy loss.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

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

There was no objection.

Mr. CANNON of Missouri. Now, no one objects to the Postal Savings System as such. But when by unfair competition and unfair guaranties which are denied the local bank they begin to reduce the reservoirs of local credit to the point where the home bank cannot exist they become a national menace; and they have practically reached that point now. The billion dollars which they hold today, multiplied by 10, the usual formula for measuring the purchasing power of local deposits, means 10 billions of buying power taken out of the communities in which it is owned, in which it was earned, and which are justly entitled to its use to promote home enterprise. The smaller the community the heavier the withdrawals and the greater the damage. The report of the Postmaster General for the year ending June 30, 1932, shows that this vast sum is drawn principally from rural sections. The official statistics demonstrate that it is the cities and towns with populations of from 2,000 to 15,000 and 20,000 that are the greatest sufferers from this deadly competition by the Federal Government; and it is growing at such a rapid rate that immediate action is necessary if the country banks are to be saved.

And let me say just a word for the country bank. The majority of them have assets of only a few hundred thousand dollars. Their cashiers seldom receive salaries in excess of \$150 a month. But they know intimately every customer in their trade territory. Tradesmen and farmers who would have no credit under standard banking conditions and would not be entitled to borrow a dollar anywhere else may apply to them and secure funds to finance crops or business, because the cashier knows them to be men of integrity, skilled in their professions, and worthy of confidence. It is the country bank which in this way has served agriculture and developed the rural resources of the Nation from pioneer days until now.

And the country bank is the last source of credit open to such patrons. They cannot take their mules and their plows and apply to the Postal Savings Department or to the metropolitan banks. The land banks no longer serve them, protestations to the contrary notwithstanding. The insurance companies have long since ceased making rural loans. There is no place to which they can apply for a dollar but to the country bank. And when you have driven it to the wall by refusing to guarantee its deposits, while you are guaranteeing the deposits in the post office next door, you eliminate the last source from which the local patron can secure funds to finance the peak seasons of his business. You talk about the menace of the chain bank. Here you have it in its flower, a giant chain bank with 7,000 branches backed by every dollar in the United States Treasury.

Mr. MAY. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman.

Mr. MAY. Does the gentleman from Missouri understand they are now discussing the question of putting the Post Office Department into the business of banking by authorizing them to receive deposits and pay checks through the Postal Savings banks?

Mr. CANNON of Missouri. The gentleman is correct. They now propose to go still farther and authorize the post offices to engage in what practically amounts to a general banking business.

What chance has the little country bank against such hydraheaded competition in a crisis like this, with terror-stricken depositors waiting for the doors to open to transfer their funds to the protection of the Government? Unless bank deposits are guaranteed one of two alternatives awaits them when the moratorium is lifted. Either they will go down at once in a frenzied run or they will perish by slow attrition within 6 to 9 months at most. They cannot hope to survive in the face of the universal demand of the country depositor for the safety of his already pitifully meager bank balance.

Future deposits could be guaranteed under strict supervision at practically no loss to the Government. The selective process by which the banks have been culled in the last few years has been severe. Only the strong banks and the efficient bankers have survived. In my State only 1 out of 3 remains. Most of these have a monopoly of their respective fields, and the grilling experience to which they have been subjected has left them wise beyond their times. Furthermore, in every community there are untold sums of hoarded currency in hiding.

The rapid decline in the time deposits of the average bank in recent years, and especially in the last few months, gives some faint indication of the extent to which funds have been withdrawn and sequestered. Currency has flowed in a steady stream across the counters of the cashiers never to return. The saturation point has never been reached. The instant the Government agrees to do for the banks what it is doing for the Postal Savings System, this money will start back. It will again fill the bank vaults from which it has been drawn. And only a Government guaranty of deposits can put it there.

Seldom have we had so much at stake. The future of American agriculture hangs in the balance. To save the farmer you must save his bank. The Government cannot finance his seasonal operations. That must be handled by local men familiar with local conditions and in personal touch with the borrower himself. The Government must guarantee rural bank deposits. There is no alternative. It is an orderly financing of farm operations by small intimate banks or it is general farm bankruptcy and all its attendant evils with a certainty of chaos and the possibility of revolution itself.

It is to be hoped that Members of the House who are interested in preserving the local bank will make known, in quarters where it will do the most good, their position on this vital question. [Applause.]

The SPEAKER. The time of the gentleman from Missouri has again expired.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

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

There was no objection.

Mr. BOYLAN. Mr. Speaker, for many years it was the usual custom for political parties to assemble in convention and adopt platforms, and almost immediately after they adopted the platforms they forgot all about them; but a new day has dawned, a new era is upon us, for we believe and our President believes that platform pledges should be kept. [Applause.]

The Democratic platform as adopted in the city of Chicago in July last declared that a platform was a sacred covenant with the people and should be kept. Farther on it stated, "We favor the immediate amendment of the Vol-

stead Act"—not in the dim and distant future, but the immediate amendment of the Volstead Act—and our heroic President this morning, although beset by many cares, trials, and difficulties, had in his mind the solemn promise made by the Democracy assembled in the city of Chicago that we should amend the Volstead Act. This morning we have from the President this message:

I recommend to the Congress the passage of legislation for the immediate modification of the Volstead Act.

Not at some future time, but the immediate modification of the Volstead Act in order to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution, and to provide through such manufacture and sale by substantial taxes a proper and much-needed revenue to the Government.

Nobody here can deny that we need the revenue. This is another step in the President's program, and I hope that the committee in charge will report to this House not later than tomorrow a bill carrying out the splendid recommendations made by the President in his message this morning. We are here prepared and we are ready to vote for this bill in order, as the President says, that we will be able to get some much-needed revenue for the support of this Government. [Applause.]

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

Mr. BOYLAN. I yield.

Mr. BLANTON. Is it the revenue the gentleman wants, or the beer?

Mr. BOYLAN. I may say to the gentleman in all honesty and all sincerity that I want both. [Applause.]

Mr. BLANTON. If this same revenue were put on Coca-Cola instead of beer would the gentleman be as much interested in its "immediate" consideration?

Mr. BOYLAN. I may say this, that my taste perhaps is plebeian. It has never been educated to Coca-Cola. [Laughter.]

Mr. BLANTON. The gentleman from New York speaks of platform pledges. I know the gentleman well enough to know that he would have the utmost contempt for any Representative who would violate his pledge to his constituents. Is not this so?

Mr. BOYLAN. Why, the gentleman from Texas is bound by the platform adopted in Chicago just as I am.

Mr. BLANTON. And if the State delegates of the gentleman's party from the State of New York had gone to Chicago and in violation of their instructions had voted against repeal, and against beer, the gentleman would not have any confidence in them, would he? The reverse of that is what my State delegates from Texas did; they violated their State instructions at Chicago.

Mr. BOYLAN. When the delegates to the national convention meet and the platform is decided on, I hold that that is a sacred pledge that all of us must follow, you from Texas as well as we from New York. [Applause.] I do not hold that I am above the platform.

[Here the gavel fell.]

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

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

There was no objection.

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

Mr. BOYLAN. The gentleman must wait until I answer his last question. I hold that no man is above his party platform. I hold that a platform adopted by some little congressional district in any part of this country is subordinate and secondary to the platform adopted by the national party convention. [Applause.]

Mr. BLANTON. Will the gentleman now yield?

Mr. BOYLAN. Yes.

Mr. BLANTON. Is all this beer furor here today a corollary to the Sirovich banquet last night in New York?

Mr. BOYLAN. I was not invited to attend the banquet. I stayed in the city of Washington and I know nothing about it. I cannot answer the gentleman's question.

Mr. BLANTON. It so dovetails and fits in with what appears in the newspapers this morning that I can see a great similarity of earmarks. In other words, this bill was probably approved at the Sirovich banquet in New York last night, was it not?

Mr. BOYLAN. Well, I cannot say as to that. If the gentlemen were in New York last night they would not possess the power of knowing what was in the mind of the distinguished President in Washington.

Mr. BLANTON. I recognize the crop and slit off the right ear and the under bit and swallow fork in the left ear. A Sirovich banquet takes place in New York last night. This morning press reports herald "immediate" action on a beer bill. The immediate action is now forthcoming.

Mr. BOYLAN. The gentleman certainly would not want to assume that he is graced with such power as to know what was operating in the mind of the Executive.

I know this is hard medicine for the gentleman to take. I sympathize with the gentleman in a way, because I admire his sincerity and his honesty, but the gentleman has been riding in the saddle for 12 years and has been telling men in this House what to do, and many of them have followed his leadership; but, my dear colleague, as much as I love and respect you, I say now that you must go to the rear. [Laughter and applause.] You and those of your devoted coterie have had your innings for 12 years. Now we say, "We wets are coming to the front and you retire and give us an opportunity."

Mr. BLANTON. For how long?

Mr. BOYLAN. Well, I think until the end of the days of the Republic. [Laughter and applause.]

Mr. BLANTON. Until that time we will be in the front ranks fighting against the return of beer joints and saloons. I imagine that when the Young People's Christian Endeavor Societies of the Christian and Presbyterian Churches, the Epworth League of the great Methodist Church, and the Young People's Baptist Unions all get through on Sunday afternoons and Sunday sermons are over of the numerous ministers of the thousands of churches scattered in every city, town, village, and crossroads of every State, and the various Wednesday prayer meetings are over on Wednesday nights, and the meetings of thousands of parent-teacher associations finally adjourn, and the old-time summer camp meetings get in full sway, and the ladies' federated clubs and associations get through their work, and the Christian fathers and mothers of the country begin to canvass house to house against beer dives and roadhouses that are soon going to open up, it may be that some of the rear rankers you are now attempting to wave behind you will be coming up to the front again in just a few years.

Mr. BOYLAN. Do you not know, my dear colleague, that that is the same old sob story you have been telling us for the last 12 years? Why, I almost know your words verbatim—the distressed mother, the wayward son, the unruly daughter, the roadhouse, and so forth, and so forth, and so forth, and so forth, without limitation.

I respect every church in this land, I respect every clergyman of whatever denomination, but, my dear colleague, even clergymen have seen the light. They realize the dawn of a new day, a new era, when people are looking at this question from a different angle; when they believe that you cannot legislate morality into a people, but that such morality must be inculcated in the homes and in the churches of this Nation.

Mr. BLANTON. The gentleman wants to beware of public sentiment. It is fickle, it changes overnight, and this present wet madness can change overnight. The gentleman may find a great reaction after a while, a relegation of his now fast-riding chargers to the rear, when the people finally wake up, if he does not look out. I have an abiding faith. Not for long will the people tolerate again beer joints, roadhouses, or saloons.

Mr. BOYLAN. The gentleman is willing to take the verdict of the people. You took it and you glorified in it for years. I accept the change in public opinion among the

people of America. Today I am happy that they have seen the light at last. [Applause.]

Mr. BUSBY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

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

There was no objection.

Mr. BUSBY. Mr. Speaker, my colleagues, may I ask your attention for just a moment to listen to what I have to say and then you can consider it for whatever it is worth. This is a fair proposition, is it not?

I wish that the whole country could have entered into the spirit of mirth and enjoyment that we have just had the pleasure of doing while the distinguished gentlemen, Mr. BOYLAN and Mr. BLANTON, were addressing us a moment ago, but, unfortunately, this cannot be. There are so many millions of our people who are in destitute circumstances that they would hardly feel able to laugh if you should tell them a good joke. I direct your attention by indirection to them for just a moment.

#### THE UNITED STATES IS WHERE GERMANY WAS IN 1931

You will remember in 1931 the bankers of the world found Germany sold short on credit. Germany had borrowed some \$300,000,000 on short-term paper. The bankers of the country were demanding that the debts of the United States against foreign nations be canceled. Congress did not propose to cancel the debts and said so before we adjourned along in the spring of the year; but the bankers were not to be foiled in their attempt to get consideration. So they said to Germany, "We will not renew the short-term debts; we will throw all Europe into a financial collapse if we do not get consideration about the debts that are being collected by the United States Government from European debtors."

So they importuned the President of the United States and he declared a moratorium. We collected nothing from the European debts that year and Germany was permitted by the bankers of the country to go along.

#### THE UNITED STATES IS SOLD SHORT ON CREDITS

Let me direct your attention to our own situation. We have sold this country short on short-term credit by the policy of the United States Treasury until today we are faced with the problem of raising \$690,000,000 in currency to refinance some loans that have been made and which become due on the 15th of this month.

What is the position of the bankers of this country? They say, "We are not going to refinance this on the old terms; you have got to increase the interest paid to us 4,000 percent before we will buy these short-term credits." So, instead of one tenth of 1 per cent they are demanding 4½ percent interest.

We have information through the newspapers. They say this because the Treasury Department is now proposing to sell \$800,000,000 worth of short-term paper at a 4,000-percent increase in interest from what the interest was on the last notes, when it has not offered such paper at any other figure. Who arranged this deal it is not clear to the Congress or to the people.

#### WE HAVE SURRENDERED TO WALL STREET

What is the trouble in this country? We have surrendered to the banker element as surely as you sit in your seats. This is what they demanded. They demanded that they be given the privilege of handling the expenses of this Government; and the National Economy League, with its headquarters in the financial district of New York, representing Wall Street, demanded of the present administration and of the Congress that you abdicate and give to them the absolute say as to what shall be done about the expenses of the Government or they would not furnish the credit with which to run the Government. This same selfish interest will supervise the expenditures of the Nation or they will balk at buying the Government mortgages—or bonds, if we use another term for the same thing. They treated New York City in the same way. We are in their clutches to stay.

Let me tell you what happened in Germany just after the moratorium was declared. The thing that happened there sounds just as if we were describing conditions in the United States today. I quote from a leading publication published in July, 1931:

The principal measures adopted by the German Government were as follows:

1. The temporary closing of the stock exchanges throughout the country.
2. The closing of all banks on July 13 and 14.
3. The imposition of a partial moratorium on the withdrawal of deposits from all credit institutions.
4. The institution of a severe system of credit rationing by the Reichsbank.
5. The establishment of a foreign control and the forcing of German nationals to declare under oath the total amount of their holdings abroad. Under the same decree, German firms are also under obligation to sell their foreign holdings to the Reichsbank upon the request of the latter.

That is what happened in this country. We are doing exactly what Germany did and nothing else. We are off the gold standard. Why, we have passed a law declaring that a man may be sent to jail if he keeps his own gold and does not turn it into the Treasury. He may be sent to jail if he keeps a gold-coin certificate as his evidence of money or "stored-up wealth".

Are we in any better shape than Germany was when she made the settlement with the international bankers of the world?

My dear friends, we are not. We have 6 or 7 billion dollars more of bonds that mature shortly, and we will be required to deal with the international bankers of the world on their own terms. I am calling your attention to the situation with which Congress is confronted, and you can take it for what it is worth. [Applause.]

Mr. SNELL. Mr. Speaker, may I inquire if there is any other business to come before the House today except speeches by unanimous consent?

The SPEAKER. Nothing else.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to speak for 10 minutes.

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

There was no objection.

#### BANKING, BUDGET, AND INTEREST

Mr. PATMAN. Mr. Speaker, ladies, and gentlemen, I was very much interested in what the gentleman from Missouri [Mr. CANNON] had to say, and also what the gentleman from Mississippi [Mr. BUSBY] had to say about the banking situation.

The banking situation today needs immediate attention. As the gentleman from Missouri suggested, if something is not done to help the small banks of the country, our country will experience more bank failures than it has ever experienced in the past. Something must be done at once.

#### ONE THIRD BELONG TO FEDERAL RESERVE

Very few banks belong to the Federal Reserve System. We have today 10,000 fewer banks than we had in 1921. We have at this time 18,850 banks. Of that number less than one third are members of the Federal Reserve System. Therefore any law that is passed that will help the Federal Reserve System and the national banks will help only one third of the banks of the Nation, and two thirds of the banks will go without help.

It is said that a large number of State banks are members of the Federal Reserve System. It is a fact that some of the State banks are members, but, counting all the national banks and the State banks that are members of the Federal Reserve System, that number is still less than one third of the total banks of this Nation.

Something has to be done in order to aid and assist two thirds of the banks of the Nation that cannot get assistance from the Federal Reserve System.

#### TWO COURSES TO PURSUE

My friends, there are two courses for us to pursue. We can take over, control, and operate all banks by the

Government and let the Government engage in the banking business.

Another way is to guarantee the deposits of banks in the future—not in the past. The Government of the United States cannot afford to guarantee the deposits that have been made in banks heretofore, for that would increase the national debt from \$20,000,000,000 to \$65,000,000,000.

**GUARANTY OF BANK DEPOSITS**

In other words, Government guaranty of present deposits in all banks would keep many bankers out of jail but would absolutely ruin the Government of the United States. We may just as well dismiss from our minds the proposition of guaranteeing present bank deposits. We cannot afford to do that, but we can afford to enact some law that will require the banks to guarantee the depositors against loss in the future. Unless that is done we are going to have more runs on banks.

**FAVOR GOVERNMENTAL BANKING SYSTEM**

I am in favor of a governmental banking system. I am in favor not only of Government control and operation but I am in favor of governmental ownership, control, and operation of the banking institutions of this Nation. Credit is paralyzed. The banking structure of our Nation has fallen down.

**RACKETEERS DEMANDING FIRMER GRIP**

Something has to be done now, and while we are clamoring to do something for the aid and benefit of the people in this crisis, the powerful bankers who have caused it and brought ruin to our country are at the doors of Congress, under the guise of promoting the general welfare, endeavoring to get a stronger grip on the throats of the American people and endeavoring to get more privileges and monopolies by reason of the distress that they have brought upon our country.

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

**PEOPLE MISLED**

Mr. PATMAN. Excuse me for a moment. Why is it necessary to have Government ownership and operation of banks? Let us go back to the Constitution of the United States and follow it, and this country will be safe. Give the people the truth at all times; do not deceive them, do not keep anything from them, but at all times and under all conditions tell them the truth about economic conditions. Jefferson was right when he said, "When the people get the truth, the country is safe." The trouble is that during the last few months and years the great metropolitan daily newspapers have printed only one side of a proposition; they have not been giving the whole truth on both sides; they have failed to give the people the facts. The same criticism can be urged against the radio, screen, and stage.

**CONSTITUTIONAL MANDATE**

The Constitution of the United States says that Congress shall coin money and regulate its value. That does not mean, and I do not believe that anyone can construe it to mean, that the Congress of the United States, composed of the duly elected representatives of the people, have a right to farm out that great privilege of issuing money and regulating its value to a few powerful bankers residing in one city of our Nation. We have no right to do that, yet by legislative acts passed heretofore Congress has gradually released that privilege to the banking system, until today a few powerful bankers control the issuance and distribution of money—something that the Constitution of the United States says Congress shall do. Let us get back to the mandate of the Constitution of the United States.

**PEOPLE IMPOSED UPON**

I want to show you where the people are being imposed upon by reason of the delegation of this tremendous power. I invite your attention to the fact that section 16 of the Federal Reserve Act provides that whenever the Government of the United States issues and delivers money, Federal Reserve notes, which are based on the credit of the Nation—they represent a mortgage upon your home and my home, and upon all the property of all the people of the Nation—to the Federal Reserve agent, an interest charge shall be

collected for the Government. When the Federal Reserve agent delivers the notes—currency—to the private banking institutions, the law says the Federal Reserve agent shall collect from the bank such interest charge as the Federal Reserve Board may assess. The law makes it a mandatory duty upon the Federal Reserve Board to require the payment of interest for the use of the Government's credit. The money collected on interest charges should go into the Treasury. Has that ever been done? No; it has never been done. Billions and billions and billions of dollars have been issued and are being issued every year, and they constitute a blanket mortgage upon this Nation, and they have been delivered to the private bankers without interest and without charge, and if the law had been complied with they would owe this Government billions of dollars today.

**BUDGET CAN BE BALANCED**

So if you want to balance your Budget, and you are really honest and conscientious about it, why do you not make the bankers who have ruined this country pay their share? [Applause.] Why place a premium and continue to place a premium upon their misdeeds by giving them hundreds of millions of dollars a year bonus, a gratuity for nothing on earth, for no service rendered, and at the same time take the purchasing power away from the people, which goes into the channels of trade and industry throughout this land?

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

Mr. PATMAN. Yes.

Mr. ALLGOOD. In the gentleman's speech on Saturday he said:

We are annually paying the New York bankers and other big powerful banking racketeers today something like \$700,000,000 interest that should not be paid. That is a pure bonus.

Mr. PATMAN. Yes; I made that statement.

Mr. ALLGOOD. Will the gentleman please explain it?

Mr. PATMAN. Certainly; I shall be glad to explain it. We have an idiotic, imbecilic system for the issuance and distribution of money. No one within the sound of my voice will deny that. Let me show you where it is idiotic.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes more.

The SPEAKER. Is there objection?

There was no objection.

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

Mr. PATMAN. For a brief question.

Mr. RICH. The gentleman says that we have an idiotic and imbecilic system of dispensing money.

Mr. PATMAN. I said an idiotic system for the issuance and distribution of money.

Mr. RICH. It seems as though the majority of the people of this country have never recognized that fact, and that the gentleman is the first man who has come to that conclusion.

Mr. PATMAN. Oh, no; I am not the first. The gentleman is the last to find it out, but the gentleman will find it out. [Laughter and applause.]

Mr. MAY. Will the gentleman yield?

Mr. PATMAN. In just a moment. You see, this has come about over a period of years. Laws are passed by Congress giving greater powers and authority and privileges to the banking group, and they are never discussed in either House. They are passed under gag rule. I can tell you about some of them.

Mr. MAY. Will the gentleman yield?

**IDIOTIC SYSTEM FOR ISSUANCE OF MONEY**

Mr. PATMAN. May I answer the gentleman's question before I yield further? The imbecilic and idiotic system I was speaking about is this: Suppose the Government wants \$100,000,000 and the Government issues \$100,000,000 in bonds bearing 3 1/8 percent interest. The Chase National Bank buys those bonds. Does the Chase National Bank pay a penny for them? No; not a penny on earth. It gives the Government credit for that amount, and as the Government employees and others are paid they are paid through the Chase National Bank in New York City and no money is actually issued, but the Government gets the benefit of that

amount in credit. The Chase National Bank can come back to the Treasury of the United States with the \$100,000,000 of bonds and deliver them to the Secretary of the Treasury. The Secretary of the Treasury will put them in the vaults of the United States Treasury. The Secretary of the Treasury will call up the Bureau of Engraving and Printing and have printed for the Chase National Bank \$100,000,000 of new, crisp money, and it will be delivered to the Chase National Bank. At the same time the Chase National Bank uses that money it will receive interest on the bonds that it has deposited with the United States Government. Will the gentleman say that that is not an idiotic system?

Mr. RICH. Will the gentleman yield?

Mr. PATMAN. I yield for a brief question; yes.

BUSINESS DONE PARTLY ON CREDIT

Mr. RICH. Ninety-five percent of the business of this country is done upon credit.

Mr. PATMAN. Oh, at one time it was. Not now. Ninety-five percent of the business used to be done on credit. But by reason of the fact that so many banks have closed their doors and so many people do not have checking accounts any more and so many people do not do business with banks, I venture to say that not over 50 percent of business is done today through checking accounts, and there is only one way to make up for it and that is to increase the volume of the money the other one half.

Mr. RICH. If you increase the amount of money to the total amount of securities that we have in this country, what would be the necessity of such a volume of money as that?

Mr. PATMAN. I would not favor increasing the amount of money to the total of all securities but would consider issuing money to take the place of outstanding Government securities. Today we have \$45,000,000,000 in deposits in all the banks of this Nation, and if the banks were locked up and the Government agents should go there to take the money out of the vaults of all banks tonight, the Government agents would not find \$45,000,000,000, the amount owed to the depositors. The Government agents would not find even \$900,000,000 that is owed to the postal-savings depositors at the post offices. The Government agents would find only \$700,000,000, and the banks cannot do business when there is so much difference between the actual money and the amount of demand and short-time deposits that are owing to the people who have deposited their earnings and savings in those institutions.

There is only one way to have a safe and sane banking system in this country, and that is to issue a sufficient amount of money so that if the people have \$45,000,000,000 on deposit there will be something like twenty or twenty-five billion dollars at least in the vaults of the banks of this Nation to pay off those depositors. In that way we can pay the national debt, and, as suggested by the gentleman from Alabama, we can save the taxpayers of this Nation \$700,000,000 every year and make every bank in this Nation perfectly safe.

PUBLICITY OF GOVERNMENT LOANS

Mr. RICH. If you had not advocated that we should advertise all loans that have been granted by the Reconstruction Finance Corporation, you would have had funds enough today, and the people would not have been scared.

Mr. PATMAN. Does the gentleman mean the publicity of the Reconstruction Finance Corporation report? Is that what the gentleman refers to?

Mr. RICH. Yes, sir; that is what I refer to.

Mr. PATMAN. Does the gentleman believe in Government by secrecy? Secrecy is a badge of fraud. That is one thing that is wrong with our country now. We have a Government that is secretly administered. The taxes are paid in secret. Refunds are made in secret. I wonder if the gentleman could go down there and find out how much in taxes Mr. Mellon paid last year and how much in taxes he paid 4 years ago? I wonder if he could find out why refunds were granted to him by himself? I wish the gentleman would go down there and try to find out.

During the time Mr. Mellon was Secretary of the Treasury he refunded to himself, to his companies, and to other corporations and individuals throughout this Nation more than 3½ billion dollars, secretly refunded. Had it not been for this secret tax system we have, does the gentleman think Mr. Mitchell, of the National City Bank, would have failed to pay his income taxes in 1929? No. He would have paid them, because the public would have known about it. You will always have deficits in your Treasury as long as you have a secret tax system. Mr. Morgan wants the loans made by the Reconstruction Finance Corporation secret so the people cannot find out if he takes advantage of the Government as he did in the Missouri-Pacific Railroad case.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. PATMAN. I yield.

INVESTIGATION UNITED STATES TREASURY

Mr. WEIDEMAN. Does the gentleman believe that an investigation of the United States Treasury and their accounting would show a different picture to the American public than is now presented in regard to the money that is due to it?

Mr. PATMAN. There is no question in the world but what it will show a different picture, and I thank the gentleman for his suggestion. There should be a fair investigation of the United States Treasury. There has never been an investigation of the United States Treasury.

I made this statement before the Committee on Rules last July, and Mr. Hoover's representative was sitting there across the table from me. One of the members of the committee was interested in the statement and asked Mr. Hoover's representative if it was a true statement, and he replied that it was the truth, but that the Treasury always kept an accurate account of the money received and the money disbursed. One of the members of the Committee on Rules spoke up and said, "Yes; every banking institution does the same thing, but auditors come along and audit these banking institutions in order that the people may know how it stands." But we have in this country an institution, the United States Treasury, that is paying out four and five billions of dollars a year, and has been doing it for years and years, granting refunds of billions of dollars secretly, Members of Congress not knowing the reason why they were granted, yet there has never been an investigation of this institution. We should have one. [Applause.]

For the information of the Members, permission having been granted for that purpose, I am inserting a copy of the resolution that has been introduced by me to investigate the Treasury of the United States, and the monetary, financial, banking, and currency laws of the United States.

House Resolution 31

Whereas it has been charged and there is reason to believe that a shortage of currency and a monopoly of credit exists in the United States and that the power to control the issue of the public currency, which is one of the sovereign powers of the United States Government, has been given over to private interests and that the said private interests have abused that power and have been guilty of unlawful practices in connection with it and have unlawfully extended credit to themselves and to foreigners and foreign central banks at the expense of, and to the great injury of, the people of the United States and that by reason of such practices the people and the Government of the United States have suffered great financial losses; and

Whereas, although the law requires a certain agency of the United States Government to fix an interest rate on all issues of the public currency advanced at the request of the aforesaid private interests and requires that the aforesaid private interests shall pay such interest charges to the United States Government it has been charged and there is reason to believe that this law has for 17 years been deliberately disobeyed and that the Government and the people of the United States have thereby been deliberately defrauded of immense sums of money and that such sums of money are due to the Government from the aforesaid private interests; and

Whereas it has been charged and there is reason to believe that vast profits which have been made in times past by the private interests to whom was farmed out the great privilege of controlling the currency of the United States have not been properly accounted for and that the knowledge of such profits has been concealed from the people by bookkeeping devices and that the legal share of such profits belonging to the Government has not been in its entirety set aside or paid over to the Government but has on the contrary been used speculatively by the said private

interests for their own benefit and that the published reports of the said private interests are not acceptable to the people of the United States and should be examined by the representatives of the people; and

Whereas it has been charged and there is reason to believe that although it is unlawful to expand credit without increasing reserves, the aforesaid private interests by means of their monopolistic control of United States currency have inordinately expanded credit for their own use and benefit without increasing reserves and have thereby gravely injured the United States and have inflicted immense losses upon the Government and the people; and

Whereas it has been charged and there is reason to believe that by permitting national banks to accept time drafts and bills of exchange drawn upon them, and by permitting national banks to buy and sell with their endorsement time drafts, bills of exchange, and trade acceptances, and by rulings to the effect that such circulating evidences of debt, including those drawn in dollars by foreigners for their own purposes, are rediscountable here and purchasable here in the open discount market and may be used by the aforesaid private interests as collateral security for new issues of United States currency, great losses have been inflicted upon the Government and the people of the United States, the Government having unwisely been made the guarantor of that particular kind of currency, and that such losses have been and are now being paid by the exportation of gold; and

Whereas it has been charged and there is reason to believe that although the original provision of law for the issue of currency on the security of time drafts or bills of exchange to be used in financing the importation of goods, contemplated goods, which were to be imported into or exported out of the United States, the fact that the words "United States" were omitted from the law gave excuse for a ruling which extends this provision to time drafts and bills of exchange financing goods imported and exported by foreign countries from and to foreign countries; and that this provision has been extended to cover time drafts and bills of exchange financing goods in domestic shipment or stored in domestic warehouses, and to time drafts and bills of exchange financing goods belonging to foreigners or others, which are stored in foreign warehouses, and has likewise been extended to cover time drafts and bills of exchange drawn to finance goods shipped between two or more foreign countries, and to time drafts and bills of exchange not related to goods of any character but merely designed to furnish cheap exchange to foreigners, and that all such time drafts and bills of exchange have been made collateral security for United States currency which the United States Government is obligated to redeem in gold, and that great losses have been inflicted upon the Government and the people of the United States by reason of these rulings and extensions, by the abuse of acceptance privileges, and by the use of such time drafts and bills of exchange as collateral security for United States currency; and

Whereas it has been charged and there is reason to believe that although the original provision of law under which the private interests aforesaid assumed power to control the issue of the public currency inaugurated the use of a new currency based solely on notes and bills accepted for rediscount, the private interests aforesaid had amendments added to existing laws giving them power to use each and every kind of debt paper, purchasable in the open discount market, as collateral security for new issues of United States currency, and that, by means of these and other vicious amendments to existing law the Government of the United States has been put in debt by the aforesaid private interests indiscriminately in all parts of the world as the enforced backer of private debtors, and that the Government has thus been made the backer of swindlers, smugglers, and speculators, and that low elements in all nations have been allowed to operate on the public credit of the United States Government, supplemented by the bank deposits of the American people, and that immense losses have thereby been inflicted upon the Government and the people; and

Whereas the reserves of the national banks have been confiscated and impounded in a central pool and placed under the control of the aforesaid private interests, and it has been charged and there is reason to believe that the said private interests have drawn immense sums of gold out of the said reserves belonging to our national-bank depositors and have lent such sums to foreign central banks and have lost other such sums in speculative enterprises and have transferred other such sums in gold to themselves and their foreign principals, thus requiring the continuous replenishment of the reserves in the pool at the expense of the American public and to the great injury of the Government and the people, and that the said private interests have established in connection with the said pool a discount market which they control and operate for their private benefit by means of their control of the said pool of confiscated bank reserves belonging to our national-bank depositors, and that they use United States Government obligations unlawfully in the operating of the said discount market, and that they have made the New York Stock Exchange and other exchanges adjuncts of the said discount market and that by reason of their control of the discount market they control the entire money market of the United States, all money rates, including the call-money rate, the prices of all stocks and bonds on the exchanges, the prices of all commodities, the wages of all our people, and the value of all property both real and personal; and

Whereas it has been charged and there is reason to believe that by permitting certain banks in the United States to become

the agents of foreign central banks, the wealth of the United States has been conveniently placed at the disposal of the said foreign banks and their customers; and that property belonging to American citizens has been taken from them without their knowledge and consent and without due process of law and that such property has been exported to foreign lands for the benefit of foreign central banks and their customers and that such property has likewise been exported to foreign lands to satisfy debts incurred by the aforesaid private interests and that such property belonging to the bank depositors of the United States is now being exported to satisfy claims held by foreigners against other foreigners in default, the aforesaid private interests having abused their power over the public currency so as to make the United States Government the backer of the defaulters, and that other such property belonging to the people of the United States is likewise being exported to finance foreigners in competition with American producers, and for other purposes; and

Whereas it has been charged and there is reason to believe that the division of the United States into arbitrary financial areas has violated the principle of the sovereignty of the separate States of the Union and has diminished the importance and hindered the growth of certain States and threatens the financial stability of such States by making it possible for the resources of such States to be drawn outside of their borders and exported to foreign lands; and

Whereas it has been charged and there is reason to believe that the aforesaid private interests have injured our foreign trade, reduced our trade balances, adversely affected the prices of our goods and commodities, and have benefited foreigners and themselves at the expense of the Government and the people of the United States, and have financed foreign countries, cities, towns, public utilities, banks, corporations, and individuals with funds belonging to American bank depositors, and that "blocks" of bonds and stocks issued by foreign governments, cities, railroads, industrial corporations, and the like have had debentures issued against them for sale to American investors and that foreign securities of small value or of doubtful value and of no marketability abroad have thus been sold to American investors to the extent of billions of dollars at a great profit to the aforesaid private interests and to foreigners but to the great loss of American investors, and that mass credits have been opened in the United States for foreign interests and have been withdrawn from the United States by means of drafts drawn in dollars rediscountable here or purchaseable here in the open market and paid for in gold taken from our national-bank reserves or in United States currency redeemable in gold upon demand, and that corporations have been accorded extraordinary privileges, including the right to incur liabilities equal to 10 times their capital stock and surplus and that these and other corporations have been instrumental in having questionable foreign acceptances drawn in dollars rediscounted here and purchased here and used as collateral security for United States currency; and that there has been an abuse of acceptance facilities in the United States, and an abuse of open-market privileges and an abuse of Government funds and obligations and an abuse of the public currency; and

Whereas there is a decrease of business and industry in the United States and thousands of business enterprises have failed and the owners thereof been forced into bankruptcy; and thousands of banks have been obliged to close their doors with a resultant loss to American bank depositors of several billions of dollars; and wage-earners by the millions have been thrown out of employment; and a condition of widespread misery, want, and suffering has been created among the people of the United States and a breaking up of American homes and families has taken place and a dispersal of American children has occurred which has removed them from the care of their natural protectors and there is an unprecedented condition of crime and disrespect on the part of certain elements in the population for law and duly constituted authority, all of which is said to betoken an economic and financial crisis in the affairs of the Nation, and it has been charged that there is reason to believe that this crisis has been caused by the conditions set forth herein, and other graver irregularities, crimes, and abuses; and

Whereas it has been charged and there is reason to believe that the independent United States Treasury has been destroyed and its functions taken over by the private interests which control the public currency and that public moneys raised from the people by taxation have been used speculatively and that such funds have been improperly secured and losses and abuses have occurred in connection with them, and that irregularities have been disclosed in the accounts of the War Finance Corporation and that Government obligations have been unlawfully used to control the money market for the benefit of the aforesaid private interests and their foreign principals; and

Whereas there is a deficit in the estimated receipts of the United States Treasury and it has been charged and there is reason to believe that a proper scrutiny and examination of the accounts of the fiscal agents of the Government and of the United States Treasury and all related matters is necessary in order to safeguard the rights of the people; and

Whereas it has been charged and there is reason to believe that the monetary, financial, banking, and currency laws of the United States have been evaded, maladministered, disregarded, abused, and disobeyed, and that private interests have made false representations and have thereby obtained laws, and amendments to existing laws, and illegal and unfair rulings for their own benefit and financial profit at the expense of the Government and the people of the United States, and that the proper framing emenda-

tion, administration, and impartial execution of the banking and currency laws of the United States are matters of vital concern to the people of the United States; and

Whereas legislation is now pending involving important changes in our banking, currency, and monetary systems and vitally affecting the Federal Government and the United States Treasury, United States foreign trade and commerce, United States foreign relations, our national banks and other financial institutions, and bills have been introduced having for their purpose the amendment of the act generally known as the Federal antitrust law; and

Whereas it is deemed advisable to investigate the monetary, banking, currency, and fiscal affairs of the United States in their entirety and to gather the facts bearing on the aforesaid conditions and charges or in any way relating thereto or to any of the subjects above mentioned as a basis for remedial and other legislative purposes: Therefore be it

*Resolved*, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee consisting of five members and such substituted members as may be from time to time selected by him to fill vacancies, if any occur, in the special committee, and that the said special committee is authorized and directed to fully investigate and to inquire into each and all of the above-recited matters and into all matters and subjects connected with or appurtenant to or bearing upon the same; be it further

*Resolved*, That said committee as a whole or by subcommittee is authorized to sit during the sessions of the House and during the recess of Congress. Its hearings shall be open to the public. The committee as a whole or by subcommittee is authorized to hold its meetings both during the sessions of Congress and throughout the recesses and adjournment thereof and in such cities and places in the United States as it may from time to time designate; to employ counsel, experts, accountants, bookkeepers, clerical, and other assistants; may summon and compel the attendance of witnesses; may send for persons and papers, and administer oaths to witnesses. The Comptroller of the Currency, the Secretary of the Treasury, the Director of the Bureau of Engraving and Printing, the Director of the Mint, the head of the Department of Commerce, the Secretary of State, the Interstate Commerce Commission, the president of the Reconstruction Finance Corporation, and their respective assistants and subordinates are hereby respectively directed to comply with all directions of the committee for assistance in its labors, to place at the service of the committee all the data and records of their respective departments, to procure for the committee from time to time such information as is subject to their control or inspection, and to allow the use of their assistants for the making of such investigations with respect to matters under their respective jurisdictions as the committee or any subcommittee may from time to time request. Said committee shall take such testimony, have such printing and binding done, and make such expenditures as it deems necessary; and be it further

*Resolved*, That no person shall be excused from giving testimony or from answering any question or from otherwise disclosing any fact within his knowledge as an individual or as a member of a board, an officer or director of a bank, corporation, or otherwise, or from producing any book, paper, or document on the ground that the giving of such testimony or the production of such book, paper, or document would tend to incriminate him, or for any other reason. It shall be within the power of the committee or subcommittee to grant immunity from prosecution with respect to any matter or thing concerning which he may be interrogated and as to which he shall truthfully make answer under oath upon such investigation. The Speaker shall have authority to sign and the Clerk to attest subpoenas during the recess of Congress.

I have asked the Committee on Rules for a hearing on this resolution and hope to get favorable action on it in a short time.

An investigation will disclose that our President had sufficient reasons to say that the money-changers should be driven from the temple.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J.Res. 75. Joint resolution to provide for certain expenses incident to the first session of the Seventy-third Congress.

#### AUTHORITY FOR COMMITTEE ON WAYS AND MEANS TO SIT DURING SESSIONS OF THE HOUSE

Mr. BYRNS. Mr. Speaker, the gentleman from North Carolina, the chairman of the Committee on Ways and Means, and those Members who have been appointed to this committee are absent from the Chamber on official business in connection with the committee work.

Mr. Speaker, I ask unanimous consent that this committee may have authority to sit during the sessions of the House for the remainder of the week.

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

There was no objection.

#### HOME LOAN BANK ACT

Mr. REILLY. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. REILLY. Mr. Speaker, the closing hours of the first session of Congress passed and the President signed legislation known as the "home loan bank bill". Ever since the home loan bank bill was presented to Congress down to this day a campaign of misrepresentation as to the purposes and results of the law has been carried on by the opponents of any legislation designed to help the home-building movement in this country.

We read in newspaper items that the Home Loan Bank Board is to be abolished as one step in the administration's economy program and also because the home-loan bank system has failed to function as promised.

The Home Loan Bank Board may be abolished and the law repealed, but such a change cannot be made in the name of economy. To date the home-loan bank system has cost the National Government only about \$200,000, and after July 1 next the Home Loan Bank Board and all the 12 home-loan banks will not cost the Government 1 cent.

The law provides that after June 30, 1933, the Federal Home Loan Bank Board shall assess the 12 banks for its operating expenses.

The Home Loan Bank Board will not only be self-sustaining after the first of July next but the system in a short time will be able to pay back to the Government every dollar it has put in for capital stock in the organization, with interest also, as provided by the law.

The newspaper articles telling of the army of employees on the pay roll of the home-loan bank system are all propaganda. One article stated that there was an army of 2,000 employees on the pay roll of the 12 banks, and about 500 on the pay roll of the Board in Washington.

The fact is that there are about 80 employees on the Board's pay roll and about 400 on the pay roll of the 12 banks.

Let it be understood also that the United States Treasury does not pay 1 cent of the pay roll of the 12 banks; these banks pay their own way.

The economy argument against the home-loan bank law is simply a smoke screen sent up by the opponents of the law—the big insurance companies, the American Bankers Association, and the large mortgage companies.

The home-loan bank bill did not get through the House and Senate without a fight; it met with severe and persistent opposition from selfish interests, from individuals and institutions who were not concerned or interested at all in a home-building program, which is of vital interest to the great army of the common people of our country.

Inquiry reveals that the Home Loan Bank Board is functioning and functioning quite satisfactorily.

It took the Federal Reserve System 11 months to make its first loan and the Federal farm-loan system about as long or longer to organize and to get started.

The Federal home-loan system was organized and made its first loan within 4 months, and now about 8 months after its organization it is in full operation with 12 banks functioning, and has made loans in the sum of \$25,000,000, with about \$25,000,000 more in process of loaning.

Prior to the banking holiday declared by President Roosevelt, the 12 home-loan banks were loaning money at the rate of about \$5,000,000 a week.

One difficulty which the Home Loan Board has had to contend with in setting up the system has been the fact that when the law was passed, there were only about 12 States whose laws would permit their home-building institutions to join the system.

The past 4 weeks 30 State legislatures have passed laws so as to permit their home-financing institutions to join the

home-loan bank system. Seventeen hundred home-financing associations have made application to join the system and have subscribed \$15,000,000 to its capital stock.

A substantial amount of the funds loaned by the 12 banks of the system to date has been reloaned by member institutions for repairs and remodeling of homes, the payment of taxes, the refinancing of matured mortgages, the making of new mortgages, and the payment of necessitous withdrawals from building-and-loan associations.

It was unfortunate that during the recent campaign efforts were made to lead home owners to believe that the system was enacted as a Santa Claus for those who had overfinanced their homes, and that all a home owner threatened with foreclosure had to do to stop the court proceedings was to apply to a home-loan bank and get a loan direct from the bank, no matter how large a loan he might want.

There is no machinery set up in the law for the making of direct loans to the home owner. It is true that a plausible rider suggesting direct loans by the Government was inserted in the bill in the Senate by a leading opponent of the measure in an effort to kill the legislation.

The whole theory and purpose of the act are irreconcilable to such a procedure, and such activities are not only impractical but are impossible when one studies the act as a whole. The publicity that has been given to this inoperative section of the act has made impossible any fair and considerate study and evaluation of the real purposes of the home-loan bank system.

If it should be deemed advisable for the Government to make loans directly to the home owner, the law can be so amended; but if it should be so amended, it would destroy the theory and purpose of the law.

The home-loan banking law was intended to serve existing home-financing institutions just the same as the Federal Reserve System served its member banks. The Federal Reserve System deals with member banks and not with individuals; the home-loan banking law was designed to deal with existing home-financing institutions and not with the individual home owner.

The home loan bank law was written primarily to aid building-and-loan associations and other institutions engaged in financing homebuilding in this country.

The institutions with which the home-loan bank system is dealing are essentially small, community, thrift institutions, and peculiarly institutions of the people.

For example there are 11,000 building-and-loan associations in the United States, which have the thrift savings of over 10,000,000 people and have mortgage loans at present to over 2,000,000 people. These community institutions are largely associated with those in the humbler walks of life, such as artisans, mechanics, and so forth.

The building-and-loan associations of this country alone have mortgage investments of over \$8,000,000,000, representing a home-mortgage business five times as large as the farm-mortgage business of the Federal land banks and the joint-stock land banks combined.

The essence of the Federal home-loan bank system is to band together as many as possible of the 15,000 local home-financing institutions into a reserve system. These institutions are largely mutual or cooperative concerns and today hold approximately \$14,000,000,000 worth of home mortgages, which is over 70 per cent of the home loans in the country.

The 15,000 include all building-and-loan associations, all mutual savings banks, and insurance companies, all of which institutions are eligible for membership in the home-loan bank system. The home-loan bank system will give these institutions, particularly to building-and-loan associations, a way to function more normally at all times, by providing a place to go for funds, regardless of the vicissitudes of the commercial banking world.

There has never been enough long-term, low-cost mortgage money in the United States. The home-loan bank system was designed to bring added supplies of capital into

this field and thus lower interest rates by increasing the funds available for home-mortgage purposes.

It is estimated that the building-and-loan associations alone could use advantageously today \$1,000,000,000 additional capital, if it could be had, in providing money for necessary new-home construction, in furnishing funds for the repair and remodeling of homes, in the payment of taxes, in the rewriting of mortgages, and in the supplying of the necessary funds to meet withdrawals of investors who are in dire economic distress.

There is only one of two ways by which sufficient funds can be furnished to finance homebuilding in this country. One way is through the sale of bonds and debentures by the home-loan banks, said securities to be based on the mortgages of the members of the system, and the other way is for the Government of the United States to furnish direct from the Treasury the required funds.

The amount of money that could be advantageously used by the home-financing institutions of this country is far in excess of any sums that could be furnished for that purpose direct from the United States Treasury.

The building-and-loan associations and other like institutions have done in the past and are doing today a great work in the way of furthering home ownership in this country. The stability and future of our country depend upon the number of our citizens who own their own homes.

The homebuilding associations are the poor man's institutions. During the life of these cooperative home-financing institutions in this country, 8,000,000 homes have been constructed for the common people; and during the calendar year 1932, of the 25,600 single-family homes built in this country, 19,370 were constructed by the building-and-loan associations and other like associations.

These institutions loan to prospective home owners up to 80 percent of the sum necessary to build a home. No other loaning institution today will advance such a high percentage of the cost of a home.

The home-loan bank system is ready to render real service to the cooperative home-financing institutions in this country.

That we have the home loan bank law today is due largely, if not entirely, to the leaders of the home-financing institutions of this country, who have for many years been planning for the enactment of a law that would furnish to such institutions the same services that the Federal Reserve System furnishes to its member banks, and thereby permit the home-financing institutions to function to the best advantage of our citizens who desire to own their own homes.

As chairman of the subcommittee of the Banking and Currency Committee of the House, which framed this home-loan bank bill, it was my privilege to stand on the floor of this House and to urge the passage of that measure, because I believe it to be constructive legislation which would aid in increasing home ownership in this country.

I have not changed my mind as to the merits of the home-loan bank law, and I am not disappointed in any way with the results of an 8-month trial of the law. The fact is, I am more convinced than ever that the law will prove of great benefit to the institutions engaged in the small-home financing field.

If any disappointment as regards this law exists today, it is with the opponents of the measure who prophesied on the hearings before the committee that the law was not needed and would prove unworkable.

Mr. FORD. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes on the California wine situation.

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

There was no objection.

#### THE CALIFORNIA WINE SITUATION

Mr. FORD. Mr. Speaker, California has just been visited by a major catastrophe. This catastrophe is one which will strain and stress the resources of this great State for the

next 2 or 3 years to make up for the tremendous loss not only of life but of property.

This morning appeals were made from the floor of the House advocating the immediate passage of a beer bill. I most respectfully suggest and ask that the Committee on Ways and Means shall, when they take into consideration the claims of the beer interests, look very carefully into the matter of seeing what can be done for wine.

The wine industry of California is a \$350,000,000 to \$400,-000,000 industry. It has been languishing for many years, and it is my hope that my colleagues will do everything in their power to aid this State in this its hour of tremendous trial by legalizing wine as well as beer, and thus bring back to a measure of activity one of its major industries.

Insofar as I know, the California delegation will support the beer measure, but we ask of you in return for this support that you cooperate with us in bringing back to this country the sparkling wines of the Golden State.

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

Mr. FORD. I yield.

Mr. CELLER. Does not the gentleman think that the Committee on Ways and Means might well consider the fact that claret and sauterne, or California Burgundy, is nonintoxicating in the sense that when taken with food it cannot be deemed intoxicating because it contains under 12 percent by volume of alcohol?

Mr. FORD. I hope the committee will take that into consideration.

I may say further that the State of California has, during this so-called dry period, been under the domination of what is known as the "moral forces" of the Nation, and I say "moral forces" in quotations. These forces in the last campaign battled against the repeal of the Wright Act, although it was a well-known fact that wine was being illegally manufactured and sold to the profit of the bootlegger and the ruin of the grapegrower, who had to take from the illegal wine trade any price offered. The Wright Act was repealed by the people of California by a tremendous majority. So when I say that California as a State asks that you give its wine industry support I am speaking with the backing of the entire State of California, and I think the Committee on Ways and Means will do everything in its power to bring this about. [Applause.]

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

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

There was no objection.

#### BANKS AND BANKING

Mr. McSWAIN. Mr. Speaker, it is manifest that the American banking system has broken down and that the Federal, as well as State and municipal, fiscal systems have broken down.

I want the Members of the House to form a solemn resolution that in rebuilding the legal skeleton around which these systems may be restored to life we will do a thorough job so as to prevent a repetition of the horrors, the miseries, the sufferings, and the suicides that we have suffered and witnessed during this particular time of stress.

I have seen these panics come and go during my short life of less than 58 years. During three periods in my life have I seen money—that is, actual cash—disappear from sight and the people forced to resort to barter and exchange, or to the use of clearing-house certificates.

In 1893 in Columbia, S.C., not a single dollar bill was to be had in the commercial and mercantile institutions, and clearing-house certificates printed on a printing press in Columbia, issued by the Clearing House Association of that city, was the only medium of exchange between those who had things to sell and those who wished to buy. A man with a load of cotton who wanted to buy commodities in the store, and the storekeeper wanting to sell commodities to him, could only be brought together on a measure of value by a little yellow slip of paper printed on a printing press within a hundred yards of where they were trying to do business.

In 1903 we had the same thing. In 1907 we had the same thing; and we thought when the Federal Reserve System was established in 1913 that conditions of this sort would disappear, would no longer return to plague the American people. But today we find that the same urgent situation has arisen and that there is a commercial paralysis; there is a coagulation of the blood of trade. Money has disappeared. The people who want to sell have no measure by which they can convert their goods over to those who wish to buy, who need the goods, who are hungry, who are ragged, who are shivering, who need houses and tools.

Now, I say that we owe it not merely to ourselves—this change will hardly come to pass in time to save most of the men of my generation—but I say, for God's sake, let us go to the root of the matter and settle it so that our children and our children's children may not have to pass through this Gethsemane of suffering and perhaps to the golgotha of American skulls. [Applause.]

Now, let us do it; let us do it well, to stand on the solid rock of sound principle.

I have offered a joint resolution to provide that no more when America sells her bonds or her bills, or issues her notes, shall there be carried on the face of these obligations the requirement to pay in gold of a certain weight and fineness.

I say that whenever a debtor pays back what he gets when he borrows he has discharged his complete moral obligation.

Today the Federal Government alone, leaving aside State, county, and municipal governments, has outstanding obligations that call for the payment in gold of present weight and fineness of a sum that amounts to \$20,000,000,000 and more.

Now, is this reasonable? If we say we are going to pay them in gold, do we not mean it? If we mean it, then we were a set of idiots when we promised it, because \$20,000,-000,000 worth of gold is twice as much as all the minted gold in all the world.

Mr. DIES. Will the gentleman yield for a question?

Mr. McSWAIN. For a question; yes.

Mr. DIES. Did the gentleman see the statement of a case in England that was decided by the highest court there involving the question as to whether or not a contract payable in gold of the present weight and fineness is enforceable, the court of England holding the contract was not enforceable and that the debtor was entitled to pay with the currency of the country?

Mr. McSWAIN. I do not know what was decided over there.

Mr. DIES. And that is going to be the law here, too.

Mr. McSWAIN. I do not want to take any chances on what a court will decide. We are those who make the law that the courts, as well as the country, ought to obey, and every bond and obligation that this country issues ought to bind the Government to repay money, nothing but money.

Now, what did we get when we borrowed this \$20,000,000,-000? We got nothing but bank credit. We did not get gold or silver or even paper money. We got bank credit, and yet we bound ourselves to pay in gold \$20,000,000,000, or twice all the monetary gold in the world. It would be just as reasonable to bind ourselves to pay back 1,000 carloads of radium, even while there is not enough radium in the world to fill one room of this Capitol.

Mr. BUSBY. Will the gentleman yield for a question?

Mr. McSWAIN. I yield for a question.

Mr. BUSBY. Does the gentleman realize that if private individuals should collect their obligations in gold, under present law, they would be subject to a penalty if they retained the gold?

Mr. McSWAIN. Oh, yes; I understand that. I am not thinking about today; I am thinking about your children and mine and our grandchildren.

We want, if we are wise, to act and go to the root of the matter and fix this thing so that the children who come after us will not be whipsawed up and down, skinned on one side and then on the other, and have America "sold short" when things are booming and then have America bought in by

the same gambling crowd when things are in a state of depression. We want to avoid a repetition of this condition.

How can this be done? There is a committee of business men, headed by Mr. Frank A. Vanderlip, who was prominent once in active banking circles in New York, that has been studying this matter for years. It is known as the "Stable Money Association." They have recently issued a little pamphlet. It came to every one of you; and if you have not read it, I want you to read it. It is the most logical, reasonable, fair, brief statement of the money problem that I have ever come across; and if this country hereafter will follow the suggestions contained in this pamphlet, we will have a dollar with a stable purchasing power. It will be based upon the average commodity prices of 550 or more commodities, so that a dollar today will buy the same number of pounds of cotton, the same number of bushels of wheat, the same number of pounds of meat, that it bought when the obligation was created 5 or 6 or 7 years ago.

This is the measure of values—values themselves. We have suffered because we have allowed the banking system to make gold the standard of value. They have played with gold to the detriment of our people—gold shipped in and gold shipped out, and our people constantly deflated and almost destroyed.

Those who worship gold had better mind. Some chemist is today working in his laboratory to discover an economical process by which gold may be artificially made. It has already been made, but the expense of making it, of course, is now prohibitive; but it may be that tomorrow's newspaper will blast the faith of those who have worshiped gold for all these thousands of years. If gold should become cheaper than copper or steel, we could legally discharge our national debts at little cost. But it would not be fair and honest, and we would not compel our creditors to accept cheap gold. So they ought not to compel us to pay very costly gold, gold that costs us twice the bank credit they lent to us.

[Here the gavel fell.]

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

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

There was no objection.

Mr. TRUAX. Mr. Speaker, I expect to vote for the beer bill, first, because it eliminates the colossal fraud and sham of prohibition that we have had in this country for 12 years; secondly, because it is a part of the platform upon which we were all elected.

I yield to no man in admiration and respect for our great leader, Franklin D. Roosevelt. I want to say to you that my colleague, MARTIN SWEENEY, from Ohio, and myself, in that historic Chicago convention, were out working on the floor in that convention for the nomination of our President, while the Ohio delegation was still caucusing after his nomination had been made.

I submit to you that this bill is a part of his program. I hope that it may be speedily enacted, as were the other two majority measures.

I am sorry that I was unable to go along with him in the economy bill, but a campaign pledge to me is a promissory note to be paid, and to be fulfilled. Having been elected at large, I come from a district, the great State of Ohio, where we have 7½ million people, of whom a large proportion are in distress—the land of the "forgotten man." And, gentlemen, I am opposed to taking away from those the little that they already have.

Now, I want to say a word about the banking situation. I contend that for many years in this land of ours we have had a government of the bankers, by the bankers, and for the bankers. It is time that we enacted legislation which will give some relief today to these people who deal with the bankers.

I recall the statement of the distinguished gentleman on my left, when he said that no one, apparently, knew the situation today. I want to tell you that the farmers in

Ohio knew it about 10 years ago. For 10 years we have been fighting to secure the cost of production of commodities. I hope this House and the Senate will pass legislation before we recess that will cause the American farmer to look through the clouds and see a new ray of hope.

Back in Ohio we have not only money lenders, but the State banking department has been just as ruthless in the foreclosure of mortgages as any private money lender.

Three sessions of the general assembly have been held within the last 6 or 8 months, and now they are in regular session. At the opening of each session I dispatched an open letter to the governor, calling his attention to the deplorable situation of the farmers, but they were ignored.

Today, an average of 500 farmers are being evicted daily by the money lenders. What we need in our legislation is to enact a law giving the President dictatorial power to declare a national moratorium against foreclosures. [Applause.]

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

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

There was no objection.

Mr. HOEPPEL. Mr. Speaker, Members of the House, I am going to speak to you this afternoon upon something most vital to the people of America. If my time permits, I am going to prove to you that the postal-savings law is nothing but subsidized machinery for the bankers of America. I am now going to explain to you how we can get the billions of dollars out of the socks of the American people, how we can put them into circulation, and by that means double the medium of exchange and help the poor people of America, and not the bankers.

I propose that the Post Office Department accept two kinds of deposits. One form of deposit will be savings deposits, which will bear 2 per cent interest or thereabouts. The other form of deposit will be what I term a circulating deposit. Whenever you deposit \$100 at the post office in a circulating account, you will have it in your power to say, "I want receipts for this money," and you can receive either one hundred \$1 receipts or one \$100 receipt, which should be similar to the present travelers' checks or express money orders. As long as you keep those receipts in your sock, they are safe; and whenever you want to transfer them into collateral, you sign them and they will circulate the same as any other bank note. If you will pass a law of this nature, the American people will have confidence in their Government. They will deposit their money in the Post Office Department.

Here is the big feature. Today we have almost \$1,000,000,000 on deposit in postal savings. All of that \$1,000,000,000 is turned over to the banks of America at 2½ percent interest, and the banks charge you and me 7 to 12 percent for that same money that belongs to us. Under my plan the money which goes into the savings account, for which you receive 2 percent interest, will be used to redeem Government bonds now paying up to 4½ percent; or, in other words, if you adopt my idea, you will save \$25,000,000 on your present deposits, which you are now giving to the banks. That is my plan. As I have indicated, you will make it possible for the American people to have confidence in their Government and in the finances of their Government.

I am a poor man, just like most of the people in the United States today, but I tell you that I am not going to put my money into the banks of the country to have these international bankers send it over to Europe and South America. On Saturday in this House we voted to give the President power to take from the veterans the gratuities justly due them. In my own city, in Arcadia, Calif., a comrade of mine was inveigled by these bankers to invest \$3,000 in South American bonds, which are now in default, and these same bankers come to you today, and they came to Congress Saturday, asking us to vote away the small stipend of a pension on which this man has to live!

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

Mr. BLANTON. Does not my friend from California think that Congress would help the people more by furnishing an absolute 100 percent guaranty for our bank deposits and taking the Government out of the postal banking business and letting the people transact, with ensuing confidence, their business with private banks?

Mr. HOEPPEL. Mr. Speaker, I am very much pleased, indeed, that the gentleman has asked me this question. On May 1, 1932, there were \$59,000,000,000 on deposit in the United States, and there was less than \$9,000,000,000 in the entire United States in cash. I ask the gentleman how he can guarantee \$59,000,000,000 of deposits when there is less than \$9,000,000,000 in cash?

Mr. BLANTON. We must find a way to guarantee all bank deposits, else the people will keep their money out of banks.

When you put money in the postal banks it is not loaned to the people. Guarantee, absolutely, all deposits; then the people will put their money into the private banks, and then it will be loaned to the people who need it. Surely a government as strong as the United States Government can provide some means for the banks to adequately guarantee their bank deposits; and unless we do we are not going to have any more banking business in the United States that is stable.

The SPEAKER. The time of the gentleman from California has expired.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that the time of the gentleman from California be extended for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPPEL. I should like to answer the question of the gentleman. He wants the Post Office to lend the money to the people. Is any man so stupid, is any man so dumb, as to think that the people and bankers as here explained have a right prior to the Government itself? If you will examine the situation, as I explained to you, the Government is losing today \$25,000,000 on my money and your money, and the bankers are making almost \$45,000,000 clear profit on the money which we deposit in the postal savings.

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

Mr. HOEPPEL. For a question.

Mr. LAMNECK. The money that goes into the postal-savings bank is turned over to the banks in the immediate vicinity in which the money is originally deposited. The gentleman knows that?

Mr. HOEPPEL. Is that the gentleman's question?

Mr. LAMNECK. I want to lead up to something. The money that the people deposit in the postal-savings bank by being loaned to the banks is in turn loaned to the public in the community in which the deposit is made, so that the public really does get the money.

Mr. HOEPPEL. The public really gets the money. Yes; the public gets the money, but they get the money at 7 to 12 percent interest. I want the Government to get that money and get the advantage of it at 2 percent interest, which interest they pay you on your deposit.

Mr. BLANTON. Will the gentleman yield?

Mr. HOEPPEL. Not now. Now, there is another question involved. The limitation on postal savings is too low. We cannot get the money into circulation. They cannot deposit more than \$2,500. It should be raised to \$10,000. This is only a temporary palliative that I am suggesting. Later on during this session I will introduce a bill making it all-wide and universal so that the Government can loan the money back to the farmers and home owners, who are bound down today with mortgages drawing 7, 9, and 12 percent interest. I contend that the home owners and farmers of America are entitled to borrow money from the Government at slightly higher rates of interest than the Government is paying to the people themselves. It is possible—and building-and-loan association presidents have so informed me—that they can take money from the Government and charge 1½ percent more than they are paying the Government and make money at it. If they can do that under our

present law today, building-and-loan associations and banks of the United States should be loaning money to the homeowners and people who have mortgages in this country at 4 percent instead of 7 and 12 percent.

Mr. BLANTON. Will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BLANTON. According to the statement made by my friend Mr. LAMNECK, before any bank can receive postal-savings deposits it must first buy and deposit with the Government as security either Government bonds or other approved bonds in equal amount; so, after all, you do not help the people much with the postal funds.

Mr. HOEPPEL. I should like the gentleman from Texas to ask me a lot of questions, because whenever he does he cuts his own throat, as I look at it. [Laughter and applause.]

Mr. BLANTON. I thought I was asking a sane, friendly question that merited the same kind of an answer.

Mr. HOEPPEL. Of what avail is it to loan money to the banks when their own currency is of no use? It is invalid. At the hotel where I am staying they put a placard on my stand which reads, "We will not accept your check; but if you will give us a post-office money order, that is good." That is what we want. When you deposit that money in the post office you should get an absolute receipt, which is collateral and which will be acceptable throughout the United States anywhere and at all times.

That is all, Mr. Speaker. I thank you. [Applause.]

Mr. SHOEMAKER. Mr. Speaker, I ask unanimous consent to incorporate in the RECORD a resolution signed by the city officials in the city of St. Paul asking that home labor be used in the cutting of stone to be utilized in the erection of a new post-office building now under construction in the city of St. Paul.

The SPEAKER. Without objection, the resolution will be incorporated in the RECORD.

There was no objection.

The resolution is as follows:

CITY OF ST. PAUL,  
OFFICE OF THE CITY CLERK.

Council resolution, general form (presented by Commissioner J. H. McDonald)

Whereas the United States of America is about to build a new post-office building in the city of St. Paul; and

Whereas there are available for employment in the city of St. Paul a large number of trained stonecutters who are at present unemployed; and

Whereas it will be of material benefit to the stonecutters and to the city if the stone to be placed in the new structure were to be fabricated in the city of St. Paul, employing residents of said city and of Ramsey County: Therefore be it

*Resolved*, That we do hereby earnestly request that the United States provide for the fabrication of all stone to be used in the erection of said new post office in St. Paul, and do further request that all stonecutters employed upon the job be residents of St. Paul or Ramsey County; be it further

*Resolved*, That the city clerk be, and he is hereby, directed to send a copy of this resolution to the Senators and Representatives in Congress from this State and to the Treasury Department.

Adopted by the council March 10, 1933.

Approved March 10, 1933.

WILLIAM MAHONEY, Mayor.

Mr. MONTET. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

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

There was no objection.

Mr. MONTET. Mr. Speaker, my main purpose in requesting the indulgence of the House at this time is for the purpose of calling attention to certain bills introduced by me on Thursday of last week. Of course, it is no longer necessary for anyone to stand in the well of the House and attempt to point to the seriousness of this depression. The country is well aware of the unfortunate conditions existing in the country today. The only question is: What are we going to do about it? I have a few suggestions I desire to submit to the House, things I believe we can do and that we should do in an effort to save our people in their present difficulties.

Personally, I believe that one of the most necessary steps this Congress should take in order to restore confidence in

our institutions, in our Government, in our banks, is to pass some kind of a bank deposit guaranty law. [Applause.] I know of absolutely nothing that would restore confidence in our banking institutions like a law that would guarantee bank deposits. [Applause.] I feel that it is of primary importance. Nothing will completely restore confidence in our banks like a bank deposit guaranty law.

Of course, we are passing measures at this time which seek more or less to temporarily relieve the situation, but at the same time we must not lose sight of the fact and we must not overlook the proposition that this country, both in the cities and in the country, is overloaded with bonded indebtedness and mortgage indebtedness. Our farmers are unable to pay their mortgages, or the interest due thereon. For the major part, they are all past due. The same thing is true with reference to the citizens residing in the cities, the home owners. Most of them have mortgaged their homes; most of the mortgages are in default. Congress should take some step to make money available to those home owners and those farmers at a cheap rate of interest, to extend throughout a long period of years, in order to refinance mortgages which now exist on both country and city property.

It is my opinion that we should make sufficient funds available to lend money at a rate of interest not to exceed 2 percent so that our farmers will have an opportunity to pay out the mortgages now existing against their farms.

Third, I believe we should take steps to reduce railroad rates. While everything in this country has gone down, while all commodity prices have gone down, railroad rates have gone up by leaps and bounds.

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

Mr. MONTET. I yield.

Mr. ALLGOOD. I saw a statement in the paper yesterday to the effect that the Louisville & Nashville Railroad was asking the Public Service Commission of Georgia to give them authority to apply a 2-cent rate, and the Public Service Commission of Georgia refused to do so.

Mr. MONTET. I believe the railroad was taking a step in the right direction to help restore prosperity to this country.

Mr. ALLGOOD. I was wondering why a public-service commission, which is supposed to serve the public, would refuse a request of this kind.

Mr. MONTET. I do not know what their reason was, but I do not believe their action will be conducive to the best interests of this country. There is no doubt in anybody's mind that no matter what we do, if existing freight rates are permitted to obtain we cannot restore prosperity.

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

Mr. MONTET. I yield.

Mr. LEE of Missouri. Has the gentleman ever heard of a public-service commission in any State representing the interests of the people of its State? If so, I wish the gentleman would name the commission.

Mr. KELLER. So do I.

Mr. MONTET. The question probably answers itself. However, I can recall a time when the Louisiana Public Service Commission did function for the best interest of our people.

Mr. LEE of Missouri. All of them ought to be abolished.

Mr. PIERCE. I may say to the gentleman that we have a commission in Oregon that acts in behalf of the people.

Mr. LEE of Missouri. Oregon is a State that has gone Democratic recently. I beg the gentleman's pardon.

Mr. MONTET. If we are really serious in wanting to help the home owners of this country and the farmers who are already overloaded with debt, we have the power and the machinery available to provide them relief.

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

Mr. MONTET. I yield.

Mr. DIES. Does the gentleman recall how he worked the latter part of the last session, together with Mr. FIESINGER, Mr. CROSS, and others, in an attempt to put more adequate money into circulation backed up by a sufficient metallic reserve, and how the bankers threw their hands up

and said it would ruin the country? Yet now, under the present machinery Congress has set up, there will go out into circulation \$11,000,000,000 of money not backed up by a grain of either silver or gold, but backed up by goods, drafts, and commercial paper.

Mr. MONTET. I well remember the efforts of the gentlemen from Texas [Mr. DIES and Mr. CROSS], Mr. FIESINGER, myself, and others to the end that we might have an expansion of the currency on a real, sound basis. We then advocated the proposition that is now advanced as the solution of our problems. The opposition was headed by the big bankers of this country, who opposed the remonetization of silver because they called that inflation, but now that the banks have closed the prime advocates of real inflation are these same big bankers who were opposed to the expansion of the currency by the use of a real monetary metal on a basis that would allow us still to remain on the gold standard.

I was coming to the proposition that one of the things this Congress should do is to not only assist the farmers of this country but to promote our international business through the remonetization of silver. Silver can be remonetized and still maintain this country on the gold standard. The gentleman from Texas [Mr. CROSS] had such a bill last session and reintroduced it this session. I sincerely hope the Committee on Coinage, Weights, and Measures will favorably report Mr. CROSS' bill to the House, and do this in the early future.

Mr. DIES. Does the gentleman believe that should this bill be reported out the leadership of the House will give the House an opportunity to consider and vote upon it?

Mr. MONTET. I cannot answer for the leadership of the House, but I do hope that an opportunity will be granted if and when the bill is reported.

I want to say this for Mr. CROSS' bill: While it remonetizes silver, it does not take us off the gold standard, because the bill provides for the issuance of currency against silver up to the point that an ounce of silver is equivalent in value to an ounce of gold. It supplements but maintains the gold standard. It would give us additional money. Not only would it be the best method of accomplishing the rehabilitation of business and industry in this country but it would promote our international trade. The South American countries and Mexico, China, and India are on a silver basis, and, in my opinion, our trade with these countries would increase by leaps and bounds if we were to remonetize silver.

I now wish to briefly refer to certain pending bills. I introduced House Joint Resolution No. 43, also the bill H.R. 1694, and House Joint Resolution No. 45.

House Joint Resolution No. 45 is a constitutional amendment providing that for the purpose of decentralizing wealth the Congress shall have the power to lay and collect taxes on capital, and so forth. It is an amendment to the Constitution which would grant to Congress power at all times to levy a capital tax.

[Here the gavel fell.]

Mr. MONTET. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

Mr. PATMAN. Mr. Speaker, will the gentleman withhold his request long enough to permit me to submit a unanimous-consent request?

Mr. MONTET. Certainly.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a resolution I introduced to investigate the Treasury of the United States and the monetary system.

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

There was no objection.

Mr. BLANTON. Mr. Speaker, I make the same request.

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

There was no objection.

Mr. DIES. Mr. Speaker, I make the same request in regard to a speech I made Saturday.

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

There was no objection.

Mr. MONTET. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

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

There was no objection.

Mr. MONTET. The bill (H.R. 1694) introduced by me is an amendment to the revenue act of 1932, providing for an increase in the income-tax rates in the higher brackets and an increase in inheritance taxes.

In short, this bill, in dealing with the income taxes, makes it impossible for any one individual in this country to earn more than \$1,000,000 per year. The bill seeks to levy a tax of 100 percent on all incomes over \$1,000,000 per year and also to levy an inheritance tax of 100 percent on all inheritances exceeding \$5,000,000.

Both of these bills and the proposed constitutional amendment have in view the decentralization of wealth in this country. Right at this time we are reaping the harvest of the distress that concentrated wealth has heaped upon this country and upon the world. This would not only decentralize wealth but would produce many billions of dollars annually of new revenue for this country, although the main object in mind is the decentralization of wealth. Everyone knows that in the history of the world when wealth has accumulated in just a few hands it has been decentralized, but in the past it has always been decentralized as a result of revolution. I want to do this in an orderly and in a legal way, and I am using this time to call these matters to your attention, so that you may know of the general proposals contained in these various bills.

Mr. FOCHT. Will the gentleman yield for a question?

Mr. MONTET. Yes.

Mr. FOCHT. Is it not a fact that wealth in this country decentralizes itself, because there is no such thing here as entailment of estates?

Mr. MONTET. That is not true, because when we look back at conditions existing in this country, say, 17 years ago, we find that 2 percent of the people of the country owned 59 percent of the wealth of the country and 10 years thereafter 1 percent of the people owned 60 percent of the wealth of the country. I believe this shows that the gentleman's conclusion is bound to be erroneous under our system of government in the United States.

I hope the committees to which these bills have been referred will give them due and early consideration. I hope to see them enacted into law, because the time has come when the people of this country, with warehouses holding surpluses of everything produced in the country, are not going to sit idly by much longer when they see that they have no opportunity to earn enough to provide their daily bread and shelter and clothe their families.

The time has come for action. The people of this country are no longer interested in word descriptions of conditions. Everybody knows what they are. The question is what are we going to do about them, and the suggestions I have given are a few that have come to my mind in the last few months as necessary and beneficial steps toward a solution of our great economic problems, not only in this country but internationally as well.

Mr. GREEN. Will the gentleman yield?

Mr. MONTET. I yield.

Mr. GREEN. I am very much interested in the gentleman's statement and agree with the gentleman that it is not a matter of poverty of money or poverty of produce but is a matter of the distribution of produce. It also is not a matter of our people's being broke, as we might say, but it is a matter of the money's being concentrated in the hands of a few and I look upon the gentleman's suggestions in a sympathetic manner and hope he may get action in this direction.

Mr. MONTET. I thank the gentleman and also hope that the Congress will shortly take some action. [Applause.]

[Here the gavel fell.]

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

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

There was no objection.

Mr. LAMNECK. Mr. Speaker, I want to call your attention to the matter of a huge deficit in the Post Office Department that we ought to eliminate or at least eliminate a great portion of it. I happened to be on the Post Office Committee during the last session and when we talk about economy and balancing the Budget, here is a chance where we can save around \$200,000,000 if we give the matter immediate attention.

Mr. SIROVICH. Will the gentleman yield for a question?

Mr. LAMNECK. I yield.

Mr. SIROVICH. What is the great contributing factor to this \$200,000,000 deficit in the Post Office Department of the Government?

Mr. LAMNECK. My judgment is that the greatest contributing factors are the newspaper and magazines and other publications that are yelling about economy and about cutting down expenses and yet are receiving a dole to the tune of \$102,000,000.

On this very subject I have an editorial here from one of the Washington papers, and I am now quoting:

The country is anxiously awaiting to see what Congress will do in response to President Roosevelt's message. Mr. Roosevelt asked for a broad grant of powers to slash expenditures, but Congress cannot escape its responsibility. The Constitution forbids Congress to delegate its legislative power to the President or anyone else. Congress passed a law under which about \$950,000,000 are paid out to veterans. If extravagant doles to veterans who suffered no injury as a result of their service are to be eliminated from this vast outlay, Congress must repeal or modify the law under which they are paid.

Now, on the question of dole, I want to read you some of these items and I want you to remember them.

On publications that are exempt from zone rates, we lost in the year 1932, ending June 30, \$16,994,000; on daily newspapers we lost \$36,409,000; on newspapers, other than daily, we lost \$11,580,000; on all other publications we lost \$28,703,000; on free publications in counties we lost \$8,550,000.

The total of these items is \$102,236,000, approximately.

Now, as to other services we rendered, on third-class mail we lost \$28,909,000; on parcel post we lost \$32,716,000; on insured mail we lost \$12,185,000; on c.o.d. service we lost \$2,882,000; on special-delivery service we lost \$4,879,000; on money orders we lost \$11,180,000.

Now, gentlemen, is it not about time that we stopped this loss in the Post Office Department—\$206,000,000—when we are cutting salaries and abolishing in some cases useful Government departments? Is it not about time that we were saving a little money by making these special services pay for the cost of the service? If we do that, we will save \$206,000,000 and not have to cut so much off Government expenditures. I hope the Congress and the leaders in the next session will see to it that this terrific loss is not maintained any longer. [Applause.]

Mr. MEAD. Will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. MEAD. I would like to suggest to the gentleman the idea that perhaps a reduction in the first-class letter rate from 3 cents to 2 cents might increase the volume of revenue.

Mr. LAMNECK. I think that is correct, and I think it would do that.

Mr. MEAD. Based on a report by the department last October, using the figures of the current year, they lost 5,000,000 first-class letters, which at the 2-cent rate would mean a million dollars in revenue. That was lost by reason of the increase in the first-class letter mail.

Mr. LAMNECK. I think the gentleman is correct. [Applause.]

Mr. LEE of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

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

There was no objection.

Mr. LEE of Missouri. Mr. Speaker and ladies and gentlemen, I am a new Member, but it tickles me to hear my friend from Louisiana talk about the redistribution of wealth. That is a joke. I am with you in that, but the big interests in this country will never let you do it, because they have more influence with the Congress than you have yourself. They have the influence, they have the telegraph wires, they have the Bell Telephone System, they have everything, and they have the lobby. They always will have it, boys. Do not fool yourselves. You may do the best you can, but you will not succeed. You can talk about doing it, and that is all. We have \$11,000,000,000 coming to us from foreign countries—that we have given to them in interest and principal nearly \$8,000,000,000.

There are nine billion owing and covered by farm mortgages. If we had that money we could loan it to farmers and to laborers and home owners at 2 percent interest. We should loan it by the Government directly and not let the bankers loan it, because they charge from 8 to 10 percent. Let the Government loan it directly. That is what ought to be done. These bankers want the foreign debts canceled so that they can collect their own debts dollar for dollar.

Now, who is going to control Congress? Are the people going to control or are the bankers going to control?

Every platform of each party declares every 4 years against the banking interests. They want to put the profiteers in the penitentiary. Have you ever known of any profiteer being put in the penitentiary?

I served in the Legislature of Missouri, and the house passed my bill—just such a law—but the senate defeated it. We had a public service commission, which cost the taxpayers of my State \$300,000. I introduced a bill to abolish it, and the house passed it unanimously.

I believe there was 1 vote against it, but we passed it practically unanimously. However, the interests had more influence in the Senate than the people had, and we still have that condition. We pay about 3 times as much for gas and 3 times as much for water and 3 times as much for telephone as we ever paid before, and the commission costs us now \$1,100,000 a year, where it only cost \$300,000 before it began collecting so much for the big interests. Of course, it had to have more employees, when it ought never to have been created.

The big interests cried and begged around here for an Interstate Commerce Commission, and they got it, and now some of them want to get rid of it, because the busses are bootlegging all the business away from them. While they are getting an order from the public service commission that they put up here in order to rob the public, the busses are going around and bootlegging their business and grabbing all their profits, and now they are squawking and they want relief. Well, I am in favor of giving them relief as I am a friend of the railroads. I want to help them anyway we can legitimately. They already owe the Government all they are worth, and we may as well take them over and operate them honestly, and take the passes away from the politicians, and if everybody paid his fare, I actually believe, Mr. Speaker, that the railroads could make a living, and instead of paying their presidents \$135,000 a year for doing nothing they could raise the rate on their section men, and at least give them \$1.45 a day, instead of \$1.10 a day.

Mr. CARTER of California. Mr. Speaker, will the gentleman yield?

Mr. LEE of Missouri. Yes.

Mr. CARTER of California. Does the gentleman know of any politicians who are riding on passes?

Mr. LEE of Missouri. Yes; lots of them.

Mr. CARTER of California. Where are they?

Mr. LEE of Missouri. They are in my State. I do not know what your State is. What is your State?

Mr. CARTER of California. California.

Mr. LEE of Missouri. California! The Democrats have not been in long enough, but I assure you the Republicans that are in politics out there ride on them.

Mr. CARTER of California. And I assure the gentleman that they do not.

Mr. LEE of Missouri. They do it in my State, and it is just as good a State as California and a good deal better.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, the very fine speech delivered by my colleague on the Post Office Committee, the gentleman from Ohio [Mr. LAMNECK], has inspired this speech from me. He discussed the advisability of effecting economies in the Post Office Department. He suggested a plan whereby we might eliminate the huge deficit involved in that Department. I also have a plan in mind by which we may effect economies without further reducing the wages of the laborers, the substitutes, the special-delivery messengers, and other underpaid employees in that Department. We passed a bill Saturday which in operation may take 15 percent of the few hundred dollars that a postal laborer may earn next year. If we are going to restore prosperity by reducing underpaid substitutes and laborers in the Post Office Department, we are going to do it with blood money, and that is not the economic philosophy which I stand for, nor is it the economic philosophy which our President stands for. I believe he will repudiate that section of the bill, and I hope when the bill comes back from the Senate that it will have a little humanity in it so that every sympathetic advocate of the rights of labor can give it his support.

That is not the subject I desire to discuss, however. I believe if the Post Office Department was run on a really sound business basis, we could probably save from \$25,000,000 to \$50,000,000 a year, without in any way diminishing the salary of any employee of that Department. I shall start at the beginning of my plan with the establishment of a post office in your town, the acquisition of the site. I want to show you the business acumen of the Federal building department in that connection. Marshall Field & Co., of Chicago, decided some time ago that they would buy a parcel of property in the Loop district for a public mart. They acquired the site at a tremendous expense, and then something happened. Something happened whereby they desired to relinquish the site, and some patriotic, inspired gentlemen immediately decided that it would be a good thing to sell that site to the Post Office Department, which they did. The Government acquired that site at an exorbitant cost. After we purchased the site it was decided that that was not the place to build a post office, and then what was done? We abandoned the site after we had relieved the Marshall Field Co. of what was probably a bad investment. What else? We went over to the Pennsylvania Railroad Co. and bought a site over their railroad tracks, and at huge expense to the Post Office Department. And on that site we are building the Chicago post office. Imagine the loss in transferring the mail to and from that post office from other railroads that enter and depart from the city of Chicago.

#### ANOTHER ILLUSTRATION OF WASTE

In 1915 the Federal Government acquired a site in the city of Binghamton. The citizens of that city put up \$20,000 to aid the Government in the purchase of that site. The Government paid \$100,000. In 1928 the present administration decided that that was not the proper site, they abandoned it, and went down on the Chenango River bank and decided to tear down a splendid building there, one owned by the Government, leaving idle the other site in which the people had an equity. They wanted to build a post office on the river bank, where no one in that city ever wanted it located. If the building was constructed on the bank of the river it would require an expenditure of \$35,000 for piling, because it is filled-in land. It would be necessary to waterproof the basement, and a substation at an annual expense of \$10,000 per year would have to be maintained near the

other site. All of which would be unnecessary if the proper site was selected in the first place.

The Post Office Committee, however, interfered. We investigated the matter and we ordered the building built on the site in which the people of Binghamton had an equity, which the people of Binghamton unanimously agreed was the place for the post office to be located.

Another case occurred in West New York, N.J., in the district represented by our distinguished colleague, Mr. AUF DER HEIDE. In that case the Building Commission seems to be anxious to buy a site in which the Republican leader of that town is interested, and at an exorbitant price, and in a place where the post office should not be located. The same is true in the city of Towanda, Pa., which district is ably represented by the gentleman from Pennsylvania [Mr. McFADDEN]. The postmaster there, a Republican appointee, condemns the location selected and so does a great many of the people of that city, and yet the Federal Building Commission, ignoring the wishes of the people, ignoring the needs of the Department, intends to build the building where it is not wanted and where its cost will be exorbitant.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. COCHRAN of Missouri. Is it not proper, as long as the gentleman mentioned the name of Mr. AUF DER HEIDE, to say that he has used every means at his command to stop the selection of the site which the gentleman complains of?

Mr. MEAD. No man in Congress has been more interested in the welfare and well-being of his people, no man has done more to bring this matter to the attention of the Post Office Department and to the attention of our committee than my distinguished colleague from New Jersey [Mr. AUF DER HEIDE].

Mr. LUNDEEN. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. LUNDEEN. Who was Postmaster General when all this was going on in Chicago?

Mr. MEAD. The Postmaster General who left us on March 4 last.

Mr. BLANTON. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. BLANTON. I think the distinguished gentleman from New York [Mr. MEAD] deserves the commendation and active support of every Member of this House for the good work he is doing. The first fight is to bring back the 2-cent postage. That is what the gentleman has promised us, and I am sure that he will do it. When does the gentleman expect to get that bill up for consideration?

Mr. MEAD. That bill is H.R. 2. We are only waiting for the assembling of the Ways and Means Committee, when we shall wait upon that committee and urge the reporting of that measure; I am sure that bill will receive the support of a majority of this House.

Mr. BLANTON. I am sure the people will be glad to know it. Going along with that ought to be the bill to take the 2-cent tax off of bank checks and to take the tax off of electricity, which is hurting the poor people of the land every day.

Mr. MEAD. The Democratic Party can do nothing better than take the advice of the distinguished gentleman from Texas and eliminate those nuisance taxes which he just mentioned. [Applause.]

Now, leaving sites, we will go to the building of the building itself. We find in investigating the materials approved for the building of post offices that the manufacturers of wooden piling, piling used in the substructures of the building, are restricted to a certain class, to a certain kind of material. What has that to do with the increased cost of our building program? My friends, if it were not for the restrictions limiting the number of bidders in the use of piling for our substructures we would have saved many hundreds of thousands of dollars since we began this major building program.

In the city of Washington, I believe, I am conservative in making the statement that we could build one of the build-

ings at no expense to the Government with the savings we would make if it were not for the restrictions written into the specifications by the Federal Building Commission not only with regard to piling but with regard to other materials used in the building of these splendid buildings we see in the city of Washington.

Mr. LAMNECK. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. LAMNECK. I wish the gentleman would comment at this point on the patented hardwood floors that they use, at great expense.

Mr. MEAD. I am glad the gentleman brought that to my attention. For 150 years we have allowed the mill and lumber people of American widespread opportunity to bid on flooring in post offices, and only within recent years has it been decided by the postal authorities that a certain so-called wood-block flooring made by a few manufacturers and covered by patent rights would be allowed in the work-rooms of our post offices. That has increased the cost of building tremendously, and it has certainly done an injustice to a reputable industry in America. I am glad the gentleman brought that to my attention.

Mr. LAMNECK. Was it not demonstrated before our committee that the patented flooring was not as good as the old flooring, and it cost a great deal more money, and did not the experts so testify?

Mr. MEAD. The experts so testified before our committee and in the strongest language they could command.

Another matter I want to bring to your attention is this: The Post Office Department is one of the largest purchasers of auto trucks in America. They do not advertise for trucks that are in production. They advertise for trucks that are designed by the so-called "technical experts" of the Department.

They call their experts and their technicians to Washington. They design a specially constructed truck, and in many instances they use obsolete parts. They then send a notice to the various manufacturers inviting them to bid on this particular truck. All the manufacturers who desire to bid must, of course, consult their engineering department, because it is not a truck now in production; it might be called an antique. The result of this procedure enables the Post Office Department to eliminate many of the bidders on some technicality. But it costs the Government a tidy sum of money.

This is what actually happened recently: The Studebaker-Pierce-Arrow Co. bid on an order of trucks. Their bid was low. Seven other bids were received on the same order, including bids from International, Mack, White, General Motors, and others.

What happened? Studebaker-Pierce-Arrow was low and lost the order. However, they made the statement before our committee that their truck came within the specifications and they were willing to back that statement with all the resources of their organization. Notwithstanding, the White people, whose bid was thousands of dollars higher in the aggregate than Studebaker, got the order, and every other bidder from top to bottom was eliminated on some technicality; the high bidder was the low bidder when the matter was finally settled.

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

Mr. MEAD. I shall be pleased to.

Mr. COCHRAN of Missouri. Reverting to the foundation work in connection with public buildings, the Government is constructing a new Federal building in St. Louis. When the specifications for the foundation came out they provided for caissons. I went to the Department and urged that they throw it open so that either caissons or piles could be used and let the lowest bidder do the job. In my district is the Smith-Brennan Pile Co., one of the leading pile companies in the country, which makes the finest driven pile in the United States. They were denied a right to bid on that work. The Department said that the engineer and the architect stated that caissons would be necessary, that they would run into water. I did not yield until after many conferences. The

architect was called to Washington. He insisted piles could not be used.

The work is being completed. The caissons have been installed, and in no instance have they run into water. It was a typical pile job, and if piles had been used the Government would have been saved probably \$50,000. The Smith Brennan Pile Co. had driven piles on a monster building a block away from the Government building and was willing to file a bond to complete the job.

Mr. MEAD. The gentleman is no doubt correct. I have no reason to doubt the statement he has made, because similar cases have been reported to our committee time and again.

Let me state further that many of the monumental buildings of the Old World that have stood through the centuries, including the great cathedrals of Italy, Lourdes, Westminster, and the capitol buildings of Europe, were built upon wooden-pile foundations, yet here in America where we have a more perfect product, one treated by the most modern methods, we find our manufacturers barred by our Government and the specifications so written that only the favored few can participate in the bidding, to the detriment of the country and to the great loss of our Treasury.

Restrict the bidding seems to be the practice of our Building Commission.

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

Mr. MEAD. Certainly.

Mr. COCHRAN of Missouri. In support of the gentleman's statement, I may say that I know that the specifications for the foundations of every building in the Mall that is now being constructed were so worded that driven piles were practically outlawed and nothing but cast-in-place piles used. This work has cost the Government of the United States hundreds of thousands of dollars more than it should have cost because more than 50,000 piles were used on this work. The restrictions placed on driven piles prevented the makers from bidding. I also filed complaints on those specifications.

Mr. MEAD. The gentleman is correct in his statement.

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

Mr. MEAD. I yield.

Mr. LAMNECK. Going back to the truck question, industry throughout the United States uses standard trucks, either Packard, Ford, Chevrolet, or some other truck of standard manufacture.

Mr. MEAD. That is correct.

Mr. LAMNECK. Is there any reason in the world why the Post Office Department could not use a standard truck for hauling the mail?

Mr. MEAD. If the Post Office Department would follow the example of private business they would buy just such a truck; and in addition to the reduction which would result in the cost to the Government, the truck could be put back into service without delay if it broke down. Under existing circumstances if one of our trucks breaks down it is necessary to send to Indiana, Michigan, or some other State for an obsolete part before it can be put back into service.

Mr. Speaker, I could continue at length to discuss similar cases with regard to the acquisition of sites, the costly practice of barring wood piling, the favoritism shown in the matter of patented wood-block flooring, the selection of special trim and mill supplies, the aluminum and bronze sash and ornamentation, all of which impose a costly burden on the taxpayers of the country.

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

Mr. MEAD. I yield.

Mr. BLANTON. Let me call the gentleman's attention to a telegram I got this morning from Hon. D. A. Bandeen, manager of the West Texas Chamber of Commerce, which is one of the largest organizations in Texas, which reads as follows:

Informed that specifications for post office at Big Springs, Tex., provide for Cordova cream stone exclusively. If this be so, Lueders limestone, quarried at Lueders, Jones County, can not compete. Cordova is quarried near Austin. We must have more open specifications to compete and protect west Texas industry.

The above is just one of many, many complaints I have had respecting exclusive specifications prepared by this Department, concerning many public buildings scattered over Texas. It is not fair that specifications are drawn so as to exclude legitimate competition. When competition is excluded, the Government always gets the worst of it. There are three big quarries operating at Lueders, Tex., and they produce some of the finest limestone in the South. Several beautiful residences in Dallas, Tex., are built of it.

Big Spring, in the district of my colleague [Mr. THOMASON], is where they are building a new post-office building. It is not fair to his part of Texas that the specifications require a certain stone to be used that comes from central-south Texas, about 500 miles by railroad from Big Spring, and for same to exclude his own west Texas products.

Mr. LAMNECK. Is it in KLEBERG's district?

Mr. BLANTON. No; this Cordova quarry is not in either of our territories, where this post-office building is being constructed, and that is what we are kicking about.

Right in the vicinity of this building are the great Lueders quarries of the finest stone in the world, yet the specifications eliminated these quarries from even bidding on the stone. It is an outrage! I am glad to hear the gentleman from New York [Mr. MEAD] make this speech. He is in a position to stop all this injustice. Such things ought to stop. We ought not to stand for them any longer.

Mr. MEAD. I thank the gentleman for his contribution.

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

Mr. MEAD. I shall be pleased to.

Mr. LAMNECK. On the 17th of February a contract was let for a post-office building in my home city of Columbus, Ohio. The specifications require coal-firing equipment for the boilers that absolutely eliminates all the coal produced in Ohio. A fusing temperature is specified that will permit the use of coal only from some other State, not Ohio. Our producers in Ohio, and our miners who are out of work, cannot bid for this business.

Mr. MEAD. I appreciate the statement made by the gentleman from Ohio; and, as I said a moment ago, I could go along and discuss with you sites, piling, flooring, trim—and, by the way, we are probably not the only department that has been trimmed with aluminum.

Mr. PATMAN. Will the gentleman yield?

Mr. MEAD. I shall be happy to yield to the gentleman.

Mr. PATMAN. I hope the gentleman will make it plain that the Secretary of the Treasury hired all the architects to draw the plans for all these public buildings, that he passed upon all these plans, and that he issued and published in his office in a Government building in Washington a publication which encouraged these architects to use aluminum and to prescribe aluminum in the construction of public buildings, and that he himself owned a monopoly of aluminum in America, and that the volume of aluminum used in public buildings increased thousands of percent while he was Secretary of the Treasury, and that there is no competition in bids that are offered for the furnishing of aluminum to be used in public buildings.

Mr. MEAD. Not only did he succeed in eliminating competition from within the country by reason of these specifications, but by reason of his power he also kept competition from without this country from coming in and competing with him. In my judgment, it was a case of favoritism from beginning to end, and it certainly helped very materially in building up the Mellon fortunes.

Mr. PATMAN. Would the gentleman also object to having it made plain that this was one of the reasons he fled to England at the time he did?

Mr. BLANTON. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman.

Mr. BLANTON. I am sure my friend from Texas [Mr. PATMAN] wants "to give the devil his due", and he ought to state at this time in behalf of the gentleman who is sojourning in England that through patriotism it is reported that since the President's proclamation he has lately released \$5,000,000 of gold that he had theretofore earmarked for shipment to Europe and has allowed it to remain

in this country to help us out in our emergency. I am sure the gentleman ought to mention this. [Laughter.]

Mr. MEAD. There are two more subjects with regard to the activities of the Post Office Department, and particularly the activities of the last Postmaster General, that I should like to bring to your attention. They are the air mail and the ocean mail subsidies.

A few years ago we passed the Jones-White Merchant Marine Act. We passed this bill in order to rehabilitate the American merchant marine. At that time the Postmaster General informed us that an appropriation of \$14,000,000 annually would be the maximum required to put this legislation into operation and to continue it in the years to come. He also said that as a result of the help it would be to American shipping, the revenues resulting from the use of faster ships would reduce this amount so that it would ultimately not cost us \$14,000,000 a year.

You may also recall that the day he left office a contract was issued, but left unsigned, to subsidize the International Mercantile Marine, a contract that would give a line operating between Philadelphia and European ports a subsidy of \$1,000,000 a year for 10 years. In other words, he was willing that we should reach into the Treasury for \$10,000,000 to help out this line, which, I understand, is closely associated with the Morgan interests, but it was not put over fast enough. The Senate passed a resolution calling the attention of the President and the Government and the people to this expensive plan, with the result that the contract was left for the new Postmaster General to sign. The new Postmaster General, however, can be depended upon to investigate the contract before it receives his signature.

Not long ago another line was subsidized to carry the mail between Gulf ports and the Orient. If you wanted a letter delivered in the Orient by way of the Gulf of Mexico and the Panama Canal, your letter would arrive just 2 months later than a letter dropped in the mail and allowed to take its natural course, which would, of course, take it to San Francisco and to the Orient by way of one of the lines leaving that city. It was just a desire to subsidize another line, to increase the cost to the Treasury, to show favoritism—nothing but favoritism—with the result that today, instead of the amount stated by Post Office officials, that this subsidy at no time would amount to more than \$14,000,000 annually, it now amounts to \$25,000,000, or approximately that amount.

What else have they done? One morning a few years ago the Postmaster General came before the Post Office Committee and said, "I want an air mail bill passed, and I want it passed today. I want you to call the members of the Post Office Committee into session immediately."

That morning my distinguished predecessor on the Post Office Committee called a meeting of the subcommittee and in the presence of the Postmaster General approved the so-called "Watres measure." The Postmaster General insisted that the chairman of the committee, without written notice, immediately call the full committee into session, and the then chairman of the committee, acknowledging the authority of the bureaucrat, called the full committee into session, and on the same day the full committee reported the bill.

I took the matter up with the leadership of this House, and I filed a minority report against the measure. One of the members of our committee brought it to the attention of the Comptroller, who also opposed its passage. The distinguished gentleman from Indiana, of lamented memory, who was then the chairman of the Appropriations Committee, a man whose demise a few days ago was a shock to the Members of the Congress, denounced the legislation, and said he was sick and tired of passing bills enabling departments and bureaus of the Government to spend money without check or balance, without any other authority save their own.

The leadership, Republicans and Democrats on both sides of the aisle, objected to the bill, and our committee chairman was told to take the bill off the calendar.

It came back to our committee and was modified and was then reported and passed by the House and the Senate. We thought that the restrictions we put in the legislation would curb the activities of the Postmaster General. Did they? No; they did not. The Postmaster General has been, in my judgment, illegally administering the Watres Act ever since it became a law. He has in a high-handed way not only extended the air mail lines all over the United States without advertising for bids, but he has been forcing operators out of business while favoring others who have benefited greatly at Government expense. This czar and dictator of the industry has used his power to destroy lines, to build up favored lines. He was building a monopoly in the air mail, and that, in my judgment, contributed largely to the action taken by the Senate when that body wiped out the entire air mail appropriation. I believe that in the administration of the air mail and the ocean mail subsidies millions of dollars of the taxpayer's money have been squandered indiscriminately.

I know that if restrictions in Federal building materials and supplies are eliminated, millions can be saved; if we buy sites where post offices should be located, and without so much secrecy, much more can be saved; if we put air mail and ocean mail contracts on a real competitive or business-like basis, we will save many millions of dollars of the taxpayers' money now being squandered throughout the United States. [Applause.]

Mr. LANZETTA. Will the gentleman yield?

Mr. MEAD. Yes.

Mr. LANZETTA. Was not there something of the kind in relation to the New York central post office?

Mr. MEAD. Our committee so far has only investigated the Chicago, Binghamton, West New York, and possibly one other site. We never had an opportunity to go into the many purchases made recently by the Federal Building Commission. But I will say that we did not go into any place, we did not look into any subject, but what we found discrimination, favoritism, and waste. Republicans and Democrats alike have denounced the action taken by the Department in these cases.

It is all right to pass economy bills; it is all right to make the poor laborer, the sub, and the special-delivery messenger, who does not get \$1,000 annually—it is all right to subject him to a cut of 15 percent, but what about the waste and extravagance practiced by the administrative heads of these departments?

Why waste millions in buildings and save a few dollars at the expense of the poorly paid employee? I hope the new administration will not continue the air mail or the ocean mail policy of the past administration. I am sure these air mail extensions, extensions that weaken the air mail lines, extensions that some operators opposed before accepting, will be eliminated. Most of these extensions were given out without bids, without inviting air-transport operators to figure on them. They should be eliminated from the air mail map, and the air mail service should be put on a sound business basis.

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

Mr. MEAD. Yes; I yield.

Mr. SABATH. I did not have the pleasure of listening to the gentleman when he began his address. Has the gentleman called attention to the fact that most of these additional lines that have been granted in the last few months have been granted to Republicans as a reward for services which they have rendered the Republican Party, many times not directly, but indirectly?

Mr. MEAD. We have not inquired into the political affiliations of any of the air mail contractors, but favoritism has been shown.

Mr. SABATH. Such is the fact.

Mr. MEAD. The Postmaster General gave out many extensions in the last few days of his administration. It occurred to me that it was not a courteous act, it was not right from the standpoint of good sportsmanship, it was not right, in my judgment, from the standpoint of a good party

man. But Mr. Brown could not be stopped. It was embarrassing to the incoming administration. He was saddling them with obligations that would certainly develop a deficit. Unless certain lines are canceled, additional funds will be required before the end of the present fiscal year. I know of no other department head that acted as did the head of the Post Office Department. His actions were unwarranted, unjustified, and, in my judgment, very discourteous.

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

Mr. MEAD. Yes; I yield.

Mr. LOZIER. I call the gentleman's attention to the fact that if you were to drop down in Vancouver, British Columbia, at this minute, you would probably find these subsidized ships being loaded with Canadian merchandise and lumber for foreign ports. In other words, these subsidized ships, instead of carrying American products, while enjoying the subsidy of the Government, derive most of their support from carrying the commerce of Canada and other nations in active competition with the products of America.

Mr. MEAD. I appreciate the interruption. You verify the position I have taken. I was just trying to point out the lack of business administration in our Post Office Department. Look at the record and you will find in it statements from the department heads assuring us that the ocean mail subsidy would not cost more than \$14,000,000 annually, and yet today it has reached the sum of approximately \$25,000,-000. Certainly there must be some discriminations, as the gentleman pointed out.

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

Mr. MEAD. Yes; I yield.

Mr. COCHRAN of Missouri. Are the contracts so binding that the Congress can not nullify them?

Mr. MEAD. The Postmaster General, appearing before the Committee on Appropriations, informed that committee that if they reduced the appropriations it would be necessary for him to dismiss or furlough employees, because these contracts were binding. However, I believe many of them can be canceled.

The SPEAKER. The time of the gentleman from New York has expired.

#### COMMITTEE ON RULES

Mr. DOUGHTON. Mr. Speaker, I offer the following resolution, which I send to the desk.

The Clerk read as follows:

#### House Resolution 41

*Resolved*, That the following Members be, and they are hereby, elected members of the Standing Committee of the House on Rules, to wit: Edward W. Pou, chairman, North Carolina; William B. Bankhead, Alabama; John J. O'Connor, New York; Adolph J. Sabath, Illinois; Arthur H. Greenwood, Indiana; E. E. Cox, Georgia; William J. Driver, Arkansas; Howard W. Smith, Virginia.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. TABER. Mr. Speaker, at the request of the minority leader I offer the following resolution, which I send to the desk.

The Clerk read as follows:

#### House Resolution 42

*Resolved*, That the following Members be, and they are hereby, elected as minority members of the Standing Committee on Rules of the House of Representatives, to wit: Harry C. Ransley, Pennsylvania; Joseph W. Martin, Jr., Massachusetts; Carl E. Mapes, Michigan; and Frederick R. Lehbach, New Jersey.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to address the House out of order, for three minutes.

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

There was no objection.

Mr. KLEBERG. Mr. Speaker, under present unprecedented conditions confronting this country, no Member of this House should fail to commend to this body and to the

country as a whole, patriotic, constructive action evidenced in any section of this country. Today we are confronted with conditions which require cooperation and direct evidence of courage by every citizen in every town in our land.

I take this occasion to commend the entire citizenship of the little town of Boerne, in the northern end of my district, for a public statement which was acted upon by them, and which on this occasion I will read to the House and to the country:

As an expression of confidence in the Government of the United States, and because of our belief in the brightness of the future, and that a glorious new day is about to dawn for all our people, we request that the city of Boerne put out gala attire and that the flags be displayed and kept flying until after the present emergency. We believe that "God is in His heaven, that the Government at Washington still lives," that the American people cannot be beaten, and we beg every citizen to greet his fellow with a smile and to be all for Boerne and for America.

R. L. HICKMAN, *Mayor.*

(For city of Boerne.)

W. JANENSCH, *President.*

D. K. LANSING, *Manager.*

(For Chamber of Commerce.)

H. O. ADLER, *Scoutmaster.*

(For Boy Scouts of America.)

H. A. PALMIE, *Commander.*

(For American Legion.)

M. J. LEHMAN, *Judge.*

PAUL HOLEKAMP, *Assessor.*

(For county of Kendall.)

W. G. DAVIS.

(For press.)

H. R. HARZ.

FRED ZOELLER.

HENRY FABRA.

(For merchants.)

Mr. BLANTON. Will the gentleman yield?

Mr. KLEBERG. I yield.

Mr. BLANTON. I once had the pleasure years ago of spending a month's vacation with my family at Boerne. Some of the finest people in the world live there. Its climate is delightful. Just out of the town is the old family homestead of a former great benefactor to suffering humanity—Doctor Herff—one of the greatest physicians ever known to San Antonio and the South. I am glad to hear such patriotic expressions coming from that city, from which none other could emanate.

Mr. KLEBERG. May I say to my distinguished colleague from Texas that old Dr. Herff was my family's friend and my friend until he passed away. His son now is considered one of our leading physicians. In fact, he is one of the leading surgeons of the South, and the gentleman who wrote this note to me—Mr. Lansing—is also a friend of the Herffs and a friend of mine. He wrote this note:

Greetings from your people of Boerne. Business is better than usual, even though we do have to trade postal cards for stamps. The flags are flying, and Boerne is making holiday and will continue to do so till that time comes. Show the fellows from the North and East what your people are doing. The inclosed poster tells the story.

The SPEAKER. The time of the gentleman from Texas has expired.

#### ADJOURNMENT

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

The motion was agreed to; accordingly (at 3 o'clock and 2 minutes p.m.) the House adjourned until tomorrow, Tuesday, March 14, 1933, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

3. Under clause 2 of rule XXIV, a letter from the secretary of the National Institute of Arts and Letters, transmitting a report of the activities of the National Institute of Arts and Letters for the year 1932, was taken from the Speaker's table and referred to the Committee on the Library.

#### PUBLIC BILLS AND RESOLUTIONS

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

By Mr. PRALL: A bill (H.R. 3204) authorizing the Interboro Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across New York Bay between Brooklyn and Staten Island; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN of Colorado: A bill (H.R. 3205) authorizing the construction of a drainage channel in the closed basin of the San Luis Valley in Colorado, authorizing investigations of reservoir sites, and for other purposes; to the Committee on Irrigation and Reclamation.

Also, a bill (H.R. 3206) for the exchange of lands adjacent to national forests in Colorado; to the Committee on the Public Lands.

Also, a bill (H.R. 3207) to authorize for the reconditioning of buildings at the United States Veterans' Administration hospital, Fort Lyon, Colo., and to authorize appropriations therefor; to the Committee on World War Veterans' Legislation.

By Mr. SWANK: A bill (H.R. 3208) to abolish the Federal Farm Board, to secure to the farmer a price for agricultural products at least equal to the cost of production thereof, and for other purposes; to the Committee on Agriculture.

By Mr. HASTINGS: A bill (H.R. 3209) to create Federal rural mortgage land banks, to provide for the supervision thereof, and for other purposes; to the Committee on Banking and Currency.

By Mr. CARPENTER of Nebraska: A bill (H.R. 3210) to provide for the recalling of \$10,000,000,000 of tax-free Government bonds and the issuance of United States currency in lieu thereof; to the Committee on Ways and Means.

By Mr. BURKE of California: A bill (H.R. 3211) to increase the authority of the Reconstruction Finance Corporation to make loans for the financing of projects to repair damage resulting from earthquake, fire, flood, or other catastrophe; to the Committee on Banking and Currency.

By Mr. ROMJUE: A bill (H.R. 3212) to repeal the tax on bank checks; to the Committee on Ways and Means.

By Mr. CELLER (by request): A bill (H.R. 3213) to amend the act entitled "An act for the protection of persons furnishing materials and labor for the construction of public works", approved August 13, 1894, as amended by act approved February 24, 1905; to the Committee on the Judiciary.

By Mr. FOSS: A bill (H.R. 3214) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 3215) to provide for weekly pay days for postal employees; to the Committee on the Post Office and Post Roads.

By Mr. SANDERS: A bill (H.R. 3216) to make husband and wife of the accused competent to testify on behalf of the accused in the United States and Territorial courts; to the Committee on the Judiciary.

By Mr. GOSS: A bill (H.R. 3217) to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. McCORMACK: A bill (H.R. 3218) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes; to the Committee on Ways and Means.

By Mr. CULLEN: A bill (H.R. 3219) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes; to the Committee on Ways and Means.

By Mr. LEA of California: A bill (H.R. 3220) to provide revenue by increasing taxes on certain nonintoxicating vinous liquors and to remove the limitation of the prohibition laws upon their manufacture, transportation, and sale in certain cases; to the Committee on Ways and Means.

By Mr. CARTWRIGHT: A bill (H.R. 3221) to amend the World War Adjusted Compensation Act, as amended; to the Committee on Ways and Means.

By Mr. CARPENTER of Nebraska: A bill (H.R. 3222) authorizing loans by the Reconstruction Finance Corpora-

tion to aid in refinancing obligations of drainage districts, levee districts, irrigation districts, and similar districts, and for other purposes; to the Committee on Banking and Currency.

By Mr. GLOVER: A bill (H.R. 3223) for the purchase of a site and the erection of a public building at Benton, Saline County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3224) for the purchase of a site and the erection of a public building at Malvern, Hot Springs County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3225) to provide for the relief of farmers by making loans on lands now used for agricultural purposes for the purpose of redeeming said lands from now-existing mortgages, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 3226) for the purchase of a site and the erection of a public building at England, Lonoke County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3227) for the purchase of a site and the erection of a public building at De Witt, Arkansas County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3228) for the purchase of a site and the erection of a public building at Monticello, Drew County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3229) for the purchase of a site and the erection of a public building at Rison, Cleveland County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3230) for the purchase of a site and the erection of a public building at Sheridan, Grant County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3231) for the purchase of a site and the erection of a public building at Star City, Lincoln County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3232) for the purchase of a site and the erection of a public building at McGehee, Desha County, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H.R. 3233) declaring a moratorium of 5 years on all mortgages held by the Federal land banks of the United States; to the Committee on Banking and Currency.

Also, a bill (H.R. 3234) for the purchase of a site and the erection of a public building at Lonoke, Lonoke County, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. CARPENTER of Nebraska: A bill (H.R. 3235) to abolish the Federal Farm Board and to authorize the Secretary of Agriculture to take over some of its functions and wind up its affairs; to the Committee on Agriculture.

By Mr. McSWAIN: Joint resolution (H.J.Res. 76) proposing a new interest rate on bonds and bills of credit; to the Committee on Ways and Means.

By Mr. CONNERY: Joint resolution (H.J.Res. 77) to reduce exorbitant interest rates paid on Government bonds with resultant savings of \$175,000,000 annually; to the Committee on Ways and Means.

By Mr. SWANK: Joint resolution (H.J.Res. 78) proposing an amendment to the Constitution of the United States reducing the Membership of the House of Representatives; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. RANKIN: Joint resolution (H.J.Res. 79) to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes; to the Committee on Military Affairs.

#### MEMORIALS

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

Memorial of the Legislature of the State of Oregon, memorializing Congress respecting improvements of the St. Lawrence River; to the Committee on Interstate and Foreign Commerce.

Memorial of the Legislature of the State of Montana, memorializing Congress relative to suspension of payments and loans to the reclamation funds of irrigation projects; to the Committee on Irrigation and Reclamation.

Memorial of the Legislature of the State of Nevada, memorializing Congress to enact Senate bill No. 3606 of the Seventy-second Congress; to the Committee on Coinage, Weights, and Measures.

Memorial of the Legislature of the State of Nevada, memorializing Congress to enact the so-called "Wheeler bill"; to the Committee on Coinage, Weights, and Measures.

Memorial of the Legislature of the State of New York, memorializing Congress relative to banking emergency; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Colorado, memorializing Congress to enact S. 1197 of the Seventy-second Congress; to the Committee on Banking and Currency.

Memorial of the Legislature of the State of Nevada, requesting Congress and the President to accept silver payment from Great Britain; to the Committee on Ways and Means.

#### PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ADAMS: A bill (H.R. 3236) for the relief of A. Randolph Holladay; to the Committee on Claims.

By Mr. BOILEAU: A bill (H.R. 3237) granting an increase of pension to Sarah Jane Bump; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3238) granting a pension to Elizabeth Ellen Barker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3239) granting a pension to Sarah A. De Gross; to the Committee on Invalid Pensions.

By Mr. CHAPMAN: A bill (H.R. 3240) granting a pension to Brooklyn Hodges; to the Committee on Pensions.

By Mr. COCHRAN of Missouri: A bill (H.R. 3241) for the relief of Julius Wurzburger; to the Committee on Military Affairs.

By Mr. DUNCAN of Missouri: A bill (H.R. 3242) granting an increase of pension to Mary E. Redman; to the Committee on Invalid Pensions.

By Mr. DURGAN of Indiana: A bill (H.R. 3243) for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased; to the Committee on Claims.

By Mr. FORD: A bill (H.R. 3244) granting a pension to Bessie Baldwin; to the Committee on Pensions.

Also, a bill (H.R. 3245) for the relief of Charles G. Lammert; to the Committee on Military Affairs.

Also, a bill (H.R. 3246) granting a pension to Susan McKay Young; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3247) granting a pension to Marie L. Mallory; to the Committee on Pensions.

Also, a bill (H.R. 3248) for the relief of Cecil Evans; to the Committee on Military Affairs.

Also, a bill (H.R. 3249) granting an increase of pension to Laura M. Davis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3250) granting a pension to Carrie D. Stuter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3251) granting a pension to Franklin Edwin Williams; to the Committee on Pensions.

By Mr. FOSS: A bill (H.R. 3252) granting a pension to Florence G. Coombs; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3253) granting a pension to Abbie E. Rhoades; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3254) granting a pension to Charles F. Barber; to the Committee on Pensions.

Also, a bill (H.R. 3255) granting a pension to Catherine T. McNamara; to the Committee on Pensions.

Also, a bill (H.R. 3256) granting a pension to Mary Rabbitt; to the Committee on Pensions.

Also, a bill (H.R. 3257) granting a pension to Margaret Bartlett; to the Committee on Pensions.

Also, a bill (H.R. 3258) for the relief of Louis Miner; to the Committee on Military Affairs.

Also, a bill (H.R. 3259) for the relief of Wilfred Laurent; to the Committee on Military Affairs.

Also, a bill (H.R. 3260) for the relief of John Inkinen; to the Committee on Claims.

Also, a bill (H.R. 3261) for the relief of Hector J. Lan-gelier; to the Committee on Military Affairs.

Also, a bill (H.R. 3262) for the relief of Everett P. Sheridan and Exilda Sheridan; to the Committee on Claims.

Also, a bill (H.R. 3263) for the relief of Emil Siegmund; to the Committee on Claims.

Also, a bill (H.R. 3264) granting an increase of pension to Mart T. O'Malley; to the Committee on Pensions.

Also, a bill (H.R. 3265) for the relief of Bartholomew Moynahan; to the Committee on the Civil Service.

By Mr. GIBSON: A bill (H.R. 3266) granting an increase of pension to Eva S. Manney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3267) granting an increase of pension to Phoebe S. Decker; to the Committee on Invalid Pensions.

By Mr. GOODWIN: A bill (H.R. 3268) granting an increase of pension to Georgianna Barker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3269) granting an increase of pension to Mary J. White; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3270) granting an increase of pension to Anna Keener; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3271) granting an increase of pension to Cora E. Wadsworth; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3272) granting a pension to John Schoonmaker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3273) granting a pension to Lottie Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3274) granting a pension to Margaret Mary O'Brien; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3275) granting an increase of pension to Phinia E. Howard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3276) granting an increase of pension to Catherine Wyms; to the Committee on Invalid Pensions.

By Mr. HENNEY: A bill (H.R. 3277) for the relief of George H. Stahl; to the Committee on Military Affairs.

Also, a bill (H.R. 3278) granting a pension to Anna Lehner; to the Committee on Invalid Pensions.

By Mr. HOEPPEL: A bill (H.R. 3279) granting a pension to Anthony W. McMoyer; to the Committee on Pensions.

By Mr. HUDDLESTON: A bill (H.R. 3280) granting a pension to Mollie G. Tomlinson; to the Committee on Pensions.

Also, a bill (H.R. 3281) granting a pension to Charlotte Dean; to the Committee on Pensions.

Also, a bill (H.R. 3282) granting a pension to Jack Page; to the Committee on Pensions.

Also, a bill (H.R. 3283) granting a pension to Mary Jane Hunter; to the Committee on Pensions.

Also, a bill (H.R. 3284) granting a pension to Vallie M. Lawrence; to the Committee on Pensions.

Also, a bill (H.R. 3285) granting a pension to Bessie L. H. Ricks; to the Committee on Pensions.

Also, a bill (H.R. 3286) granting a pension to Mary Ware; to the Committee on Pensions.

Also, a bill (H.R. 3287) granting a pension to Lether Hendrix; to the Committee on Pensions.

Also, a bill (H.R. 3288) granting a pension to Nellie Meigs; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3289) granting a pension to Frances E. Baldwin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3290) for the relief of William C. Reese; to the Committee on Claims.

Also, a bill (H.R. 3291) for the relief of Jack Page; to the Committee on Military Affairs.

By Mr. KOPPLEMANN: A bill (H.R. 3292) for the relief of Andrew M. Jeffrey; to the Committee on Military Affairs.

By Mr. LANHAM: A bill (H.R. 3293) to provide for the settlement of damage claims arising from the construction of the Petrolia-Fort Worth gas-pipe line; to the Committee on Claims.

By Mr. McREYNOLDS: A bill (H.R. 3294) for the relief of Elisha M. Levan; to the Committee on Military Affairs.

Also, a bill (H.R. 3295) for the relief of the estate of White B. Miller; to the Committee on Claims.

Also, a bill (H.R. 3296) for the relief of Carl F. Castleberry; to the Committee on Claims.

Also, a bill (H.R. 3297) granting a pension to Bell D. Qualls; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3298) granting a pension to Christine Francis Lewis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3299) granting a pension to Martha Wyatt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3300) for the relief of George B. Beaver; to the Committee on Claims.

Also, a bill (H.R. 3301) granting a pension to Editha Smith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3302) for the relief of John Merrill; to the Committee on Claims.

By Mr. MARTIN of Colorado: A bill (H.R. 3303) granting a pension to Minnie Lea Crump; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3304) for the relief of Gale A. Lee; to the Committee on Claims.

Also, a bill (H.R. 3305) granting an increase of pension to Ellen Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3306) granting a pension to Emma Roberts; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3307) granting an increase of pension to Clara Elenor Courtney; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3308) granting an increase of pension to Ellen Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3309) granting an increase of pension to Emma G. Millis; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3310) granting an increase of pension to Edeluvina G. Romero; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3311) granting an increase of pension to Elizabeth Blades; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3312) granting an increase of pension to Elizabeth R. Backus; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3313) granting an increase of pension to Sarah E. Pile; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3314) granting an increase of pension to Laura J. Pedrick; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3315) granting an increase of pension to Julia A. Hofflicker; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3316) granting a pension to Clara E. Stanton; to the Committee on Pensions.

Also, a bill (H.R. 3317) granting a pension to Robert C. Sutherland, Jr.; to the Committee on Pensions.

By Mr. O'RIEN: A bill (H.R. 3318) to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army; to the Committee on Claims.

By Mr. PERKINS: A bill (H.R. 3319) granting an increase of pension to Mary H. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3320) granting an increase of pension to Henrietta C. Scofield; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3321) granting an increase of pension to Mary Jane DeHart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3322) granting an increase of pension to Louisa Conklin; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3323) granting an increase of pension to Amanda Hoppock; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3324) granting an increase of pension to Lydia Springster; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3325) granting an increase of pension to Catherine E. DeWolfe; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3326) granting a pension to Mary S. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3327) granting a pension to Sadie Smith; to the Committee on Invalid Pensions.

By Mr. PEYSER: A bill (H.R. 3328) for the relief of owners of cargo aboard the steamship *Boxley*; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H.R. 3329) for the relief of Willie A. Rice; to the Committee on Military Affairs.

Also, a bill (H.R. 3330) granting a pension to Julian D. Haynes; to the Committee on Pensions.

By Mr. SNYDER: A bill (H.R. 3331) for the relief of Irene Dean; to the Committee on Claims.

By Mr. STALKER: A bill (H.R. 3332) granting a pension to Earl F. White; to the Committee on Pensions.

Also, a bill (H.R. 3333) for the relief of George N. Boyce; to the Committee on Military Affairs.

By Mr. WILCOX: A bill (H.R. 3334) for the relief of certain purchasers of lots in Harding townsite, Fla.; to the Committee on the Public Lands.

Also, a bill (H.R. 3335) granting a pension to Mabel L. Cook; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3336) granting a pension to Agnes Holbrook; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3337) granting a pension to Minnie F. Leach; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3338) granting a pension to Susie E. Payne; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3339) granting a pension to Mattie St. Clair; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3340) granting a pension to Elizabeth Smith; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

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

40. By Mr. BLOOM: Petition of the New York State Economic Council, urging that all necessary power be given to the President of the United States to enable him to reduce the expenditures of the Federal Government to the utmost extent possible; to the Committee on Economy.

41. By Mr. DELANEY: Petition of the American Fruit and Vegetable Shippers' Association, indorsing the work of the Shannon committee and urging that this investigation be pursued and that a detailed record of the findings of this committee be made public through the various newspapers and magazines of this country; to the Committee on Expenditures in the Executive Departments.

42. By Mr. KOPPLEMANN: Petition of Lieut. Caldwell Colt Robinson Auxiliary 254, Ladies' Auxiliary to the Veterans of Foreign Wars of the United States, March 3, 1933, at Hartford, Conn.; to the Committee on Economy.

43. By Mr. MARTIN of Massachusetts: Petition of Francis E. Perkins and other citizens of Holliston, Mass., urging revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

44. By Mr. MARTIN of Oregon: Memorial of the Thirty-seventh Legislative Assembly of the State of Oregon, pertaining to the St. Lawrence treaty; to the Committee on Foreign Affairs.

45. By Mr. SEGER: Resolutions of the John McCutcheon Republican League of Paterson, N.J., commanding congressional support of the President in emergency legislation; to the Committee on Economy.

46. Also, resolutions of the Board of Commissioners of Passaic, N.J., favoring legislation honoring Gen. Thaddeus Kosciusko, hero of the Revolutionary War, by issuance of a series of commemorative postage stamps; to the Committee on the Post Office and Post Roads.

47. By the SPEAKER: Petition of James H. Kerby, suggesting a banking law whereby all banks would be required

to become members of the Federal Reserve System; to the Committee on Banking and Currency.

48. Also, petition of the Wilshire District Democratic Headquarters Club, of Los Angeles, Calif., requesting Congress to grant the President authority to act in the present emergency; to the Committee on Ways and Means.

49. Also, petition of the Socialist of Tompkins County, N.Y., requesting Congress to take immediate steps toward the socialization of the entire banking system; to the Committee on Banking and Currency.

50. Also, petition of the Society of Mayflower Descendants in the District of Columbia, opposing the recognition of the Union of Soviet Socialist Republics by the Government of the United States; to the Committee on Foreign Affairs.

51. Also, petition of the Council of Brockton, Mass., memorializing Congress to authorize a special series of postage stamps commemorating the one hundred and fiftieth anniversary of the naturalization as an American citizen of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

52. Also, memorial to the Council of West Warwick, R.I., memorializing Congress to enact House Joint Resolution 191; to the Committee on the Post Office and Post Roads.

## SENATE

TUESDAY, MARCH 14, 1933

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

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

Mr. LEWIS. Mr. President, I suggest the absence of a quorum and ask a roll call.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Copeland	Keyes	Robinson, Ark.
Ashurst	Couzens	La Follette	Robinson, Ind.
Austin	Dale	Lewis	Russell
Bachman	Dickinson	Logan	Sheppard
Bailey	Dill	Lonergan	Shipstead
Bankhead	Duffy	McArdle	Smith
Barbour	Fess	McCarren	Stevens
Barkley	Fletcher	McGill	Stephens
Black	Frazier	McKellar	Thomas, Utah
Bone	George	McNary	Townsend
Borah	Glass	Metcalfe	Trammell
Bratton	Goldsborough	Murphy	Tydings
Brown	Gore	Neely	Vandenberg
Bulkeley	Hale	Norbeck	Van Nuys
Bulow	Harrison	Nye	Wagner
Byrd	Hastings	Overton	Walcott
Byrnes	Hatfield	Patterson	Walsh
Capper	Hayden	Pittman	White
Caraway	Hebert	Pope	
Clark	Johnson	Reed	
Connally	Kean	Reynolds	

Mr. HEBERT. I desire to announce that the Senator from Nebraska [Mr. NORRIS] and the Senator from Wyoming [Mr. CAREY] are absent attending the funeral of the late Senator Howell, of Nebraska.

I also desire to announce that the junior Senator from Minnesota [Mr. SCHALL] and the junior Senator from New Mexico [Mr. CUTTING] are necessarily absent.

Mr. REED. I wish to announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is detained from the Senate by illness. I ask that this announcement may stand for the day.

Mr. LEWIS. Mr. President, may I have in the RECORD recorded the fact that the absence of the Senator from Colorado [Mr. COSTIGAN], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Illinois [Mr. DIETERICH] is caused by illness in their families? The absence of the Senator from Wyoming [Mr. KENDRICK] and the Senator from Montana [Mr. WHEELER] is because of attendance upon the rites of our dead Members who have now been taken to their burial.

Mr. WALSH. I wish to announce the absence of my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] on account of a death in his family.

Mr. OVERTON. I desire to announce that the Senator from Louisiana [Mr. LONG] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-one Senators having answered to their names, a quorum is present.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, returned to the Senate, in compliance with its request, the joint resolution (H.J.Res. 75) to provide for certain expenses incident to the first session of the Seventy-third Congress.

### EMPLOYEES AND SALARIES OF FARMERS' SEED AND CROP PRODUCTION LOAN OFFICES (S.DOC. NO. 4)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, submitting, in accordance with the terms of section 3 of the Senate Resolution 358 (72d Cong., 2d sess.), certain information relative to the number of employees and aggregate salaries paid in the Farmers' Seed Loan Office and the Crop Production Loan Office, which was ordered to lie on the table and to be printed.

### RESOLUTION OF CONDOLENCE ON DEATH OF SENATOR WALSH OF MONTANA

The VICE PRESIDENT laid before the Senate a resolution adopted by the General Assembly of the State of Rhode Island, expressing sympathy upon the death of the late Senator Walsh, of Montana, which was ordered to be printed in the RECORD, as follows:

#### STATE OF RHODE ISLAND, IN GENERAL ASSEMBLY, January Session, A.D. 1933.

Resolution of the general assembly expressing genuine sympathy upon the tragic death of Senator Thomas J. Walsh (passed Mar. 8, 1933)

Whereas this general assembly has been deeply shocked to learn of the tragedy of the sudden death of Senator Thomas J. Walsh, named as the next Attorney General in the Cabinet of President Franklin D. Roosevelt; and

Whereas the Hon. Thomas J. Walsh, a fearless and powerful figure among American leaders, has won universal respect for strength of character and indomitable courage in championing the rights of the people: Now, therefore, be it

*Resolved*, That this general assembly, in admiration for his sterling patriotism and his unselfish devotion to public service, now joins in expressing that genuine sympathy which this abrupt termination of his valuable career calls forth, and directs the secretary of state to transmit to the widow of the late Senator Thomas J. Walsh a duly certified copy of this resolution as a true expression of the feeling of this legislative assembly.

#### STATE OF RHODE ISLAND, OFFICE OF THE SECRETARY OF STATE, Providence, March 9, 1933.

I hereby certify the foregoing to be a true copy of the original (S. 79) resolution of the general assembly expressing genuine sympathy upon the tragic death of Senator Thomas J. Walsh, passed by the general assembly on the 8th day of March A.D. 1933, by a unanimous rising vote.

In testimony whereof I have hereunto set my hand and affixed the seal of the State of Rhode Island this 9th day of March, in the year 1933.

[SEAL]

LOUIS W. CAPPELLI,  
Secretary of State.

### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Banking and Currency:

#### UNITED STATES OF AMERICA,

*State of Montana, ss.*

I, Sam. W. Mitchell, secretary of state of the State of Montana, do hereby certify that the following is a true and correct copy of an act entitled "Senate Joint Memorial No. 14, a memorial to the Congress of the United States, requesting the enactment of legislation reducing the rate of interest required to be paid on loans made by the Reconstruction Finance Corporation in aid of industries," enacted by the twenty-third session of the Legislative Assembly of the State of Montana, and approved by J. E. Erickson, Governor of said State, on the 6th day of March 1933.

In testimony whereof, I have hereunto set my hand and affixed the great seal of said State.

Done at the city of Helena, the capital of said State, this 9th day of March A.D. 1933.

[SEAL]

SAM. W. MITCHELL, Secretary of State.